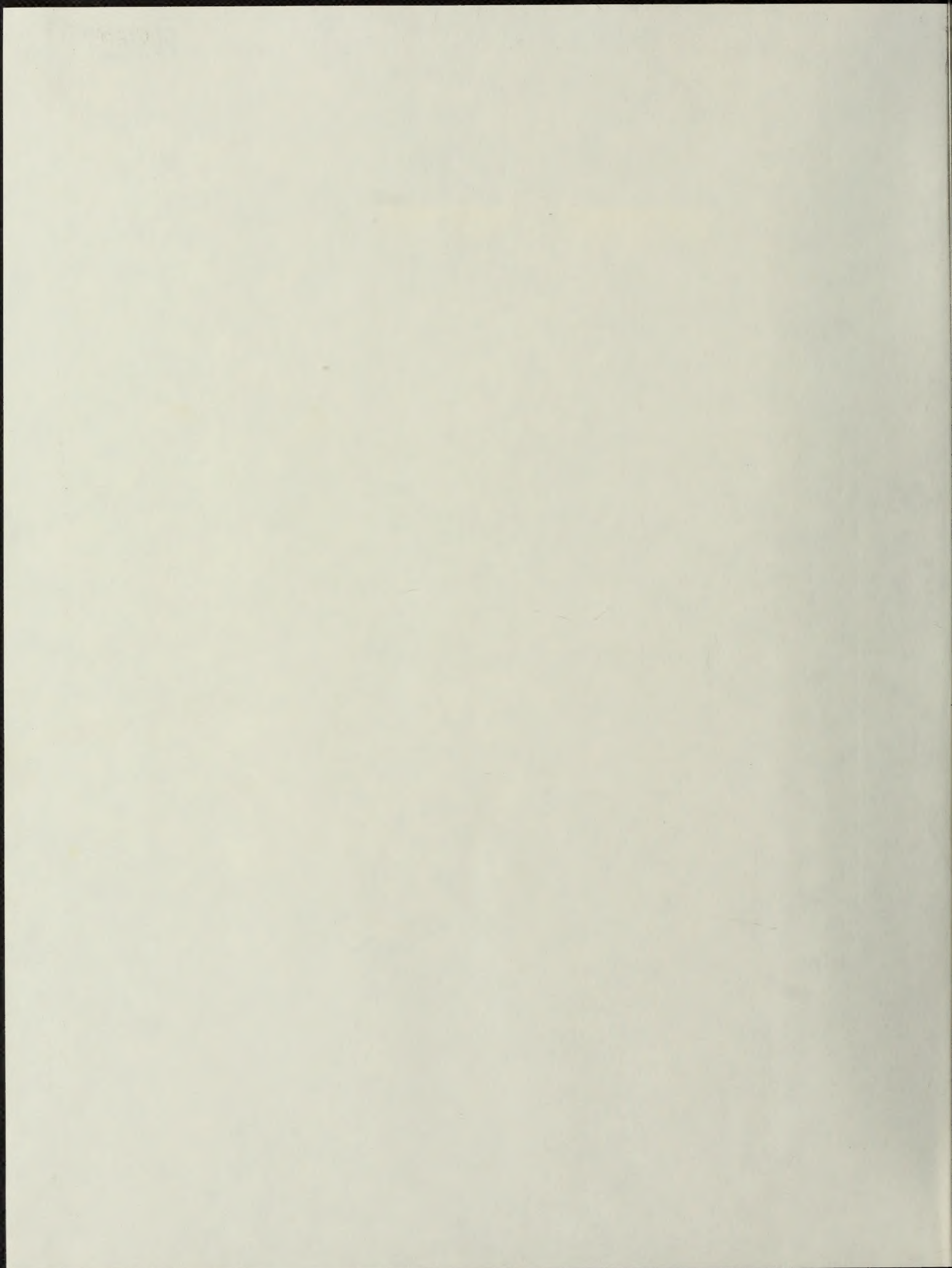


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**Department
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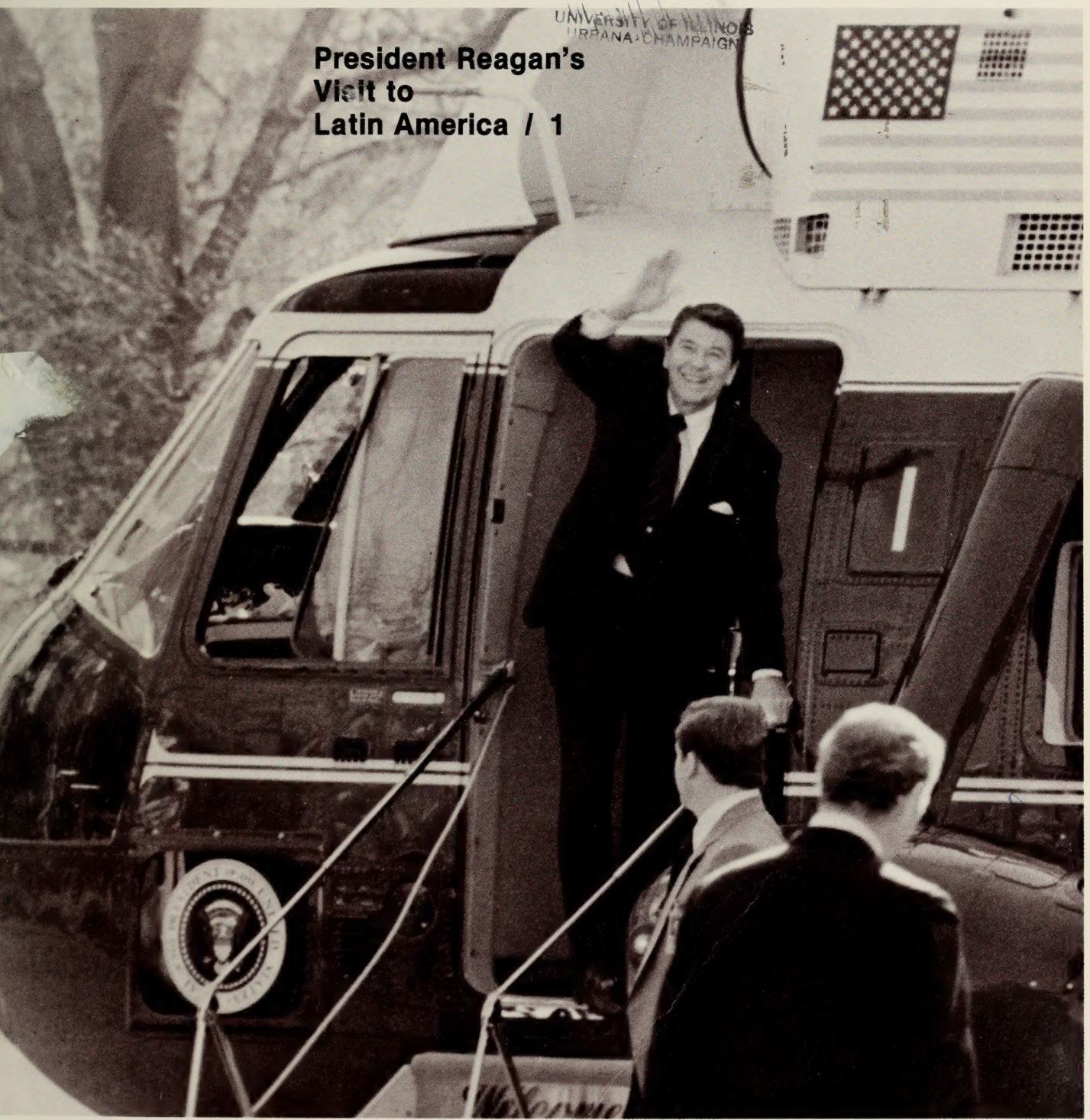
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**President Reagan's
Visit to
Latin America / 1**



Department of State **bulletin**

Volume 83 / Number 2070 / January 1983

Cover:

Waving goodbye as he boards Air Force One, President Reagan departs White House enroute Brazil, Colombia, Costa Rica, and Honduras.

(White House photo by Mary Anne Fackelman)

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

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GEORGE P. SHULTZ

Secretary of State

JOHN HUGHES

Assistant Secretary for Public Affairs

PAUL E. AUERSWALD

Director,
Office of Public Communication

NORMAN HOWARD

Chief, Editorial Division

PHYLLIS A. YOUNG

Editor

JUANITA ADAMS

Assistant Editor

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(White House photo by Mary Anne Fackelman)

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"This will be a journey for the cause of democracy and peace."



President Reagan arrives at Brasilia International Airport and is greeted by Brazilian President Joao Baptista de Oliveira Figueiredo. Secretary Shultz, left, looks on.

FEATURE

Visit to Latin America

President Reagan Visits Latin America

President Reagan departed Washington, D.C., November 30, 1982, for a trip to Brazil, Colombia, Costa Rica, and Honduras. He returned to the United States on December 4.

Following are statements, remarks, toasts, and press briefings made by the President and Secretary Shultz, who accompanied him, during this trip, as well as the text of the U.S.-El Salvador joint communique.¹

President Reagan's Statement to the People of Brazil, November 26, 1982

Last May, I had the honor of welcoming President [Brazilian President Joao Baptista de Oliveira Figueiredo] and Mrs. Figueiredo to the United States. Our discussions taught me how much our two countries have in common and how important it is that we understand each other well. I also learned how easy it is for Americans and Brazilians to talk as friends.

I am delighted to have President Figueiredo's invitation to return his visit and have made a special effort to learn more about Brazil, its people, their heritage, and their aspirations. In the course of my readings and conversations, I have noticed many similarities between our two countries and their people.

- We are both nations of immigrants; yet, we have successfully capitalized on the cultural, religious, and racial diversities of our peoples.
- We are both committed to peaceful resolution of global and hemispheric conflict; yet, we both understand the need for strong and vigilant armed services.
- We are both in positions of economic leadership on our respective continents; at the same time, we are major trading partners. The winds of economic crisis have buffeted our nations over the past few years—inflation, energy shortages, high interest rates—and we are still struggling to gain ground and prosper in these turbulent times.

Both Brazil and the United States have demonstrated, during this same month of November, that democracy is the world's best hope for peaceful change and progress.

While I am President Figueiredo's guest in your country, my colleagues and I expect to spend many hours in close consultations with distinguished Brazilians. We will discuss how our two governments can best support each other's efforts to meet the economic, social, cultural, and political aspirations of our people—and how we can best strengthen the future security of our countries, our hemisphere, and our world.

Broadcast on Brazilian television (text from White House press release of Nov. 29, 1982). ■

WASHINGTON, D.C.

President Reagan's Departure Remarks

White House
Nov. 30, 1982²

Today we embark on an important journey to visit our friends in the South, in Latin America. This will be an important visit, not only for the United States but for others, too. As friends and neighbors of the New World, we have a vital stake in each other's economies, security, and general well-being. This is true for Central America, the Caribbean, and for the entire hemisphere.

This will be a working visit. I will be meeting with six presidents, and I believe we have a lot to learn from one another. We certainly have a lot to discuss: the steps we all need to take to get our domestic economies back on the path to growth, to reduce the threats to peace and security, and to promote the continued development of democracy. This will be a journey for the cause of democracy and peace.

The four countries I am visiting have all had elections in the past year. There is a strong democratic tide running in the Americas. It's important that democratic leaders maintain a dialogue with one another and that our actions foster the ideals of democracy in a climate of peace.

I have long held that one of the highest priorities of this Administration would be to improve our relations with our neighbors in this extraordinary hemisphere. We are, as you know, most fortunate, for this half of the globe is the source and repository of many of mankind's noblest dreams. Our Caribbean Basin initiative is a reflection of our commitment to sustaining those moral visions, or noble visions. And when our neighbors are in trouble, their troubles inevitably become ours.

I am pleased that the Congress approved the aid portion of my CBI request in September. I also attach importance to the critical foreign assistance

package for fiscal year 1983, which is currently before the Congress.

But we need more than just an injection of critically needed funds. We need the long-term incentives encompassed in the trade and tax provisions of the CBI legislation. In my meeting with the Republican leadership this morning, I underlined the importance that I attach to enactment as soon as possible of the trade and tax portions of the CBI, and they agreed.

I have spoken with Dan Rostenkowski, Chairman of the House Ways and Means Committee, who recently traveled to the Caribbean at our request. He saw first-hand the positive impact that the CBI would have on the economies and the societies of this area, and he, too, promised to help during the final days of this session.

Our trip is an opportunity to demonstrate first-hand our concern for our neighbors. Whether our nations be of the North or the South, we can work together as partners to pursue the dreams we share. We will strengthen the democratic bond, stimulate new growth and opportunity, and promote the sacred cause of peace. That's the purpose of the journey.

BRAZIL

President Reagan's Arrival Remarks

Brasilia
Nov. 30, 1982³

I am delighted to be here in Brazil—to have the opportunity to see this city which is famous the world over as an expression of Brazil's confidence in its destiny. I look forward to strengthening my friendship with President Figueiredo so warmly begun in May, and to continue the discussions we began in Washington.

We're here on a working visit. In addition to Secretary of State Shultz, I have with me Treasury Secretary [Donald T.] Regan, our Trade Representative, Ambassador [William

E.] Brock, and other leaders of our Government. We are prepared to discuss a wide range of subjects.

I also look forward to learning first-hand about this giant country and the contrast between this city and Sao Paulo, which is so well known the world over as an industrial and metropolitan wonder.

Our societies are similar in that we both have a frontier tradition, an openness and vision for greatness. The roots of our nations are also similar. We are both melting pots—nations that succeeded in giving their citizens, no matter what their origins, an opportunity to share with their initiative, hard work, and intelligence in the vision of freedom—freedom to worship and to work in dignity for a better life.

You, in Brazil, have great dreams and a vast nation blessed with enormous resources in which to fulfill them. Here, in Brasilia, we see dramatic proof of the spirit of a people with unlimited drive, determination, and confidence in their future.

We all know of the strong and steady advance of Brazil both domestically and internationally. Your November 15 elections demonstrated Brazil's confidence in itself and its stability in freedom. Similarly, the management of the Brazilian economy through times of economic difficulty around the world inspires us all that our present problems can be overcome.

And while we may have areas of disagreement, we also have a great deal in common. I am sure our talks will be fruitful and prove beneficial to both our countries.

On behalf of the people of the United States I bring you our good wishes and friendship. President Figueiredo, thank you for welcoming me. I already feel at home.

Itinerary

November 30—Depart Washington, D.C.
November 30—December 2—Brasilia, Brazil
December 2—Sao Paulo, Brazil
December 2-3—Brasilia, Brazil
December 3—Bogota, Colombia
December 3-4—San Jose, Costa Rica
December 4—San Pedro Sula, Honduras
December 4—Arrive Washington, D.C. ■

FEATURE

Visit to Latin America

President Reagan's Response to Questions Submitted by Latin American Newspapers

Released Nov. 30, 1982⁴

Q. The power of the democratic idea and economic progress allowed the West to win the battle for the hearts and minds of people almost everywhere and helped them resist totalitarian ideologies. But, isn't there an implicit threat to those gains in the present economic crisis and, therefore, to the strategic interests of the United States, even in the hemisphere?

A. There is no question that today's global economic crisis is a severe challenge to democracies everywhere. During an economic downturn, competition among labor, business, and government becomes more intense, and the relationships can become strained. This, in part, is the reason why I proposed last February, in cooperation with other donor nations in the hemisphere, an ambitious program to increase aid and stimulate trade and investment in the Caribbean Basin. It is also why the United States has worked closely with the international community to assist countries which are facing more serious financial difficulties during the current worldwide recession.

The situation in El Salvador is a good example of the tension and instability that can develop. There, leftist guerrilla forces have undermined the economic infrastructure in order to spread dissatisfaction and opposition to the democratically elected government. El Salvador also shows, however, that even in a profoundly divided society, democratic institutions can rise above economic or political crisis to meet the challenge with a national consensus. Other nations, in Central America and South America, are finding that the consensus-building inherent in a democracy offers a firm foundation for responding to economic and other crises. So, although economic difficulties test our democratic ideals, I believe that recent events, such as the elections in

Brazil, Costa Rica, El Salvador, Colombia, Honduras, and Mexico, show that our democracies will emerge not only secure, but stronger. That Brazil has just conducted a landmark election during a period of severe economic problems is a clear indication that democracy cannot only be maintained but advanced even during times of economic difficulty.

Q. The United States is trying to reduce its contributions to the World Bank [International Bank for Reconstruction and Development, IBRD] and the Inter-American Development Bank (IADB) while refusing to increase the lending resources of the International Monetary Fund (IMF) in the proportion desired by developing nations. In light of these initiatives, what expectations can Third-World countries have in relation to U.S. participation in the North-South dialogue?

A. Your initial statement is inaccurate. We support an adequate increase in IMF quotas and a substantial replenishment of the Inter-American Development Bank. Moreover, I am committed to working with leaders of Third-World countries to address their real development problems in a pragmatic, concrete manner.

The world community's most important contribution to growth in developing countries is through trade. Last year, the United States alone provided more than \$68 billion to the non-OPEC [Organization of Petroleum Exporting Countries] developing world in payment for goods imported from developing countries. That is twice as much as LDCs [less developed countries] received in official development assistance from all sources.

We are committed to fostering an international trade system which will continue to provide a powerful engine of growth. For example, in last week's GATT [General Agreement on Tariffs and Trade] meeting in Geneva, we proposed a round of North-South trade talks that would help increase trade between developed and developing countries.

We recognize, however, that concessional assistance also plays an important role in development, particularly for least developed countries. In a period when concessional financing is scarce,

those limited resources should be concentrated on the world's poorest, least credit-worthy countries.

Q. What concrete results can we now see from CBI (Caribbean Basin initiative)? What are the possibilities that the Congress will not support the initiative fully? If the access to the North American market contemplated as part of the as yet unapproved CBI is not approved soon, would your government be disposed to establish some kind of bilateral arrangement with the Caribbean Basin countries?

A. The Caribbean Basin initiative is an integrated program of emergency financial aid, trade preferences, and investment incentives. It will help revitalize the economies of the Caribbean Basin by stimulating greater investment, production, and exports in the region. That will create jobs and give people tangible hopes for a better economic future within stable, democratic institutions. As you know, the U.S. Congress, in September, approved the emergency aid portion of the initiative, and those funds are now being disbursed. The trade and investment portions of the initiative will be considered by the Congress in the next few days. We have been working closely with the leadership in both Houses to see that the full legislative program of the CBI is completed before Christmas.

We will continue to seek a multi-lateral and regional approach, rather than isolated bilateral arrangements. I strongly believe that the cooperation of other countries—both as donors and as participants in the program—strengthens and increases the effectiveness of any individual country's efforts.

Q. The Falkland/Malvinas Islands conflict damaged relations between the United States and Latin America. How can hemispheric unity be achieved, and how will your trip better inter-American relations?

A. We, in the New World, are very important to each other. Our mutual dependence—our interdependence—shows up in almost every statistic concerning hemispheric trade, capital flows, communications, and other forms of human interaction. Much of the world's growth potential is here in our hemisphere. I know public attention is

focused on alleviating the global recession. That is only natural. But we must focus on how to create the conditions for renewed, long-term growth. Perhaps the most encouraging trend at work in the hemisphere is the movement toward democracy. We firmly support this trend, and through my trip, I hope to make that support clear and widely known.

We must recognize that the inter-American system has served us well. True, it was unable to prevent the tragic outbreak of war earlier this year. But let's not forget that—thanks in large measure to the inter-American system—Latin America devotes less than 1.4% of its gross national product to military expenditures. What is called for now is not new institutions but a renewed commitment to making the system's emphasis on the rule of law and the peaceful resolution of disputes work better. That calls for political will. The United States is firmly committed to do its part in this endeavor. My visit to your countries will emphasize that commitment.

Q. In recent years, several democracies have been restored in Latin America: Peru, Brazil, Ecuador, Bolivia, and Honduras. What importance does your government give to these democracies in contrast to military regimes in the hemisphere? What impact do you believe your Administration's human rights policy had on these developments?

A. The United States places great importance on the development of stable democratic institutions in our hemisphere. In addition to the special bond which the shared value of democracy brings to our relationship with another nation, there are certain practical elements in democratic systems which also deepen and strengthen our ties. Democracies tend to be more stable, because they represent a broader spectrum of national opinion. Democracies tend to be more peace loving, because they must consult with their citizens regarding major foreign policy questions. Democracies tend to have more policy continuity because of their broad-based support. And lastly, when we deal with a democratic government, we know it speaks for its sovereign people as a whole, not just for an isolated

sector. I believe that U.S. promotion of human rights and support for democracy in the Western Hemisphere reinforce each other. History shows us that the most effective guarantee of human rights lies in the creation and strengthening of open democratic institutions of government. But, we in the United States can only influence; we cannot determine.

I believe that the growth of democracy we have seen in recent years shows the power of the democratic idea, from the unity and stability it brings to a nation, to the dignity and legitimacy it bestows on a government.

Q. It is evident that Cuba threatens both Central America and the Caribbean. Have you thought of an effective way to eliminate the root of this Cuban subversion?

A. You are quite right that Cuba, by its support for armed violence and subversion against its neighbors, is, indeed, a threat to the peace of the Americas. But more importantly, with its economy in a shambles, with tens of thousands of mercenaries in Africa, and with its extreme dependence on Soviet largesse merely to hold its head above water, Cuba has become more and more a Soviet satellite and a willing conduit for advancing aggressive Communism. Were it not for the Soviet Union, which gives massive aid in the form of arms and money—\$3 to \$4 billion this year alone—Cuba could not afford to do what it is doing. Our response has been threefold:

First, we are working with the other states of the region to help the actual and potential victims of Soviet-abetted, Cuban-inspired attacks in the region. This includes, as its most important element, help to strengthen their economies through bilateral and multilateral programs, including the Caribbean Basin initiative, which is key to the success of this joint effort. Where necessary, we also provide security assistance;

Second, we hold the Soviet Union ultimately responsible for much of its client's behavior; and

Third, we maintain and have strengthened economic measures designed to increase greatly the costs to

Cuba and its Soviet paymasters of their interventions in other countries.

Q. In the past, the United States permitted the Soviet Union to achieve strategic parity. You now appear to believe that only an American threat to regain superiority will cause the Kremlin to accept your plan to mutually reduce nuclear arms. However, this position has not produced results at the negotiating table. In fact, it appears to be exacerbating the arms race, with the resulting waste by the superpowers of resources that would be better utilized in the fight for development. In light of the change of guard in the Kremlin, isn't this the moment to revitalize detente and abandon the rhetoric of confrontation?

A. The United States is not seeking strategic superiority. I am convinced that the preservation of peace requires that we follow two parallel paths—deterrence and seeking significant arms reductions to equal and verifiable levels. These are the only paths that offer any real hope for enduring peace. I want to stress that the present disparity in forces brought about by the massive Soviet buildup of the 1970's has been very detrimental to international peace and stability.

I believe our strategy for peace will succeed. Although the United States has always led the effort for arms limitations and reductions, never before have we proposed such a comprehensive program of nuclear arms control. What we are saying to the Soviet Union is this: We will modernize our military in order to keep the balance for peace, but wouldn't it be better if we both simply reduced our arsenals to a much lower level?

We have stressed from the outset that we want a constructive relationship with the Soviet Union, based on mutual restraint, responsibility, and reciprocity. Unfortunately, Soviet-backed aggression in recent years—such as Afghanistan, Poland, and Kampuchea—has violated these principles. But we remain ready to respond positively to constructive Soviet actions.

Q. Brazil is experiencing the gravest economic and financial crisis of the last 20 years. Naturally, Brazil looks to the United States, the richest

FEATURE

Visit to Latin America

nation in the world, for support. What types of specific assistance can your administration provide Brazil, directly, in the terms of credit and loans, and indirectly, in its attempts to restore the confidence of private banks in the country and to increase the resources of multilateral lending institutions?

A. The United States continues to be a strong supporter and the largest contributor to the World Bank, the IADB, and the IMF. We believe these institutions have key roles to fill in today's world and provide important resources, both financial and technical. While we believe IMF resources are sufficient to handle current problems, we are working with other members of the IMF to insure that adequate resources will also be available in the future. We hope that agreement on a new quota increase will come soon and that our suggestion for a special borrowing facility to meet possible extraordinary demands will be accepted.

Brazil can be proud of its well-established reputation for meeting its obligations in a responsible manner and for facing problems with skill, energy, and pragmatism. We have every reason to believe Brazil will continue to take whatever measures it finds necessary to deal with its problems, including any economic adjustments that may be needed to assure sound growth and development. This, in turn, gives lenders confidence in Brazil's creditworthiness—confidence that I share. We believe Brazil will have adequate access to private international financial markets.

Q. Brazil condemns foreign interference in Central America, sympathizes with Nicaragua (Brazil has given Nicaragua some economic assistance), condemned Zionism as a form of racism in the United Nations, and was the first country to recognize officially Angola in spite of the Soviet and Cuban roles in Angola's independence. Given the self-proclaimed Western inclinations of Brazil, do the fruits of its foreign policy of "non-automatic alliances" surprise you? Is there a risk that Brazil's foreign policy will place both nations on a collision course? During your visit to

Brazil will you call for a new alignment between Brazil and the United States?

A. Your question suggests that the foreign policies of Brazil and the United States are in direct conflict. I do not accept that suggestion. In our discussions last May, President Figueiredo and I found that there are many more points of convergence in our foreign policies than there are points of divergence. That is not surprising since both countries are based on a similar value system; have similar origins and histories; and are dedicated to peace, prosperity, freedom, and justice. As for the points of divergence, we live in a large and complex world with many difficult problems and situations, and it would be totally unrealistic to expect any two free and independent nations to hold identical views on all of them. You only find that automatic identity of viewpoint within the Soviet bloc, and I certainly would not like to see that replicated anyplace in the world.

No, I do not intend to propose a new alignment between Brazil and the United States. I am interested in strengthening the bilateral relationship, in reviewing areas where there have been problems, and in exploring new possibilities for bilateral cooperation. This is important to me, and I think it is important to President Figueiredo, not in the context of a new alignment, but as reaffirmation of the longstanding friendship between Brazil and the United States and our common commitment to the peace and progress of the hemisphere and the world.

Q. President Figueiredo stated, during a recent speech at the United Nations, that "the economic policies of the great powers are destroying wealth without replacing it." The American Government in particular, has been accused of adopting economically repressive policies, ignoring the pernicious effects on the rest of the world. The United States, according to critics, is exporting recession and unemployment today in the same way that it exported inflation in the past. Was your government somewhat insensitive regarding the negative repercussions of U.S. economic policies abroad?

A. I know that slow economic growth in the United States is having

serious impact on other economies, and I wish we could have avoided this painful transition period for all of us. The continuation of past U.S. economic policies and the continued lack of control over U.S. inflation would have led to disaster not only for the United States, but for the whole world economy. We are seeing the beginnings of recovery in our country—inflation has fallen dramatically, interest rates also are dropping fast, and there are encouraging signs of investor confidence, for example, in the stock market and in construction. What we are aiming for is a revival of steady economic growth with price stability. I want to lay the foundation for a long period of U.S. growth not subject to exaggerated ups and down which have caused so much pain around the world in the past. I think we are on the right road, and that the U.S. economy will once again provide a significant stimulus to production and employment around the world.

Q. President [Colombian President Belisario] Betancur has said that the United States is treating Latin America as "America's backyard." How do you respond to that?

A. While there may have been some basis in the past for the concern that the United States did not focus sufficiently on its relations with the hemisphere, I think it is clear that my administration has devoted considerable attention to our hemisphere relations, as evidenced in the Caribbean Basin initiative, which we and Colombia support, and my current trip, which underlines the importance of our hemispheric neighbors for the United States.

Q. Beyond doubt, one of the most important problems between Colombia and the United States is drug trafficking. And, certainly, there have been some important advances such as the recent "Operation Swordfish." Nevertheless, for those who are in the know, drug trafficking is produced not only by the sellers but also by the buyers, which, in this case, are the U.S. citizens themselves. What policies have been instituted to fight against the immense consumption of drugs in your country?

A. On October 5, I endorsed our new Federal strategy which is designed

to mobilize all our forces to stop the flow of illegal drugs into the United States, and to prevent drug abuse, especially among our youth. This is a bold, confident plan, which simultaneously attacks organized criminal trafficking in drugs; international production and exporting of illicit narcotics; and seeks to reduce demand for drugs.

I have charged two Cabinet-level councils with responsibility for domestic enforcement and international narcotics control, and for overseeing health-related drug programs. The South Florida Task Force on Crime made significant inroads on narcotics trafficking, and we have announced plans to create similar task forces in other regions. My staff and interagency teams are coordinating a nationwide prevention effort—with a strong assist from my wife Nancy—that involves government, health institutions, business, educational institutions, the media, other private sector interests, and importantly, parents, and parent groups.

I have described drug abuse as one of the gravest problems facing us internally. We must undertake vigorous policies and programs at home and overseas where the major drugs are produced. In that context, I am pleased to be able to say that we have been cooperating very actively with the Government of Colombia. For several years we have been engaged in cooperative efforts to help improve the enforcement and interdiction efforts within Colombia against cocaine, marijuana, and other drugs. We have seen some good results. We hope, in the future, that we can work together to expand this cooperation on supply control. Such cooperation, together with progress on the demand side against drug abuse in the United States, is the only way to effect a permanent improvement in the situation. My Administration has committed more than \$900 million per year to this effort, the majority of these funds being spent on reducing drug abuse within the United States.

Q. What is the Reagan Administration's reaction to President Betancur's intention to join the Nonaligned Movement?

A. Colombia is a sovereign nation with whom we have excellent relations,

and it would not be appropriate for me to express an opinion about its relations with others.

Q. Many Costa Ricans believe that the present economic and security crises in Costa Rica and the area endanger our democratic system. What is your Administration prepared to do to avoid the destruction of Costa Rican democracy?

A. There are few countries in the region which have a better understanding of the economic and security challenges facing Central America and the Caribbean today than your own. In his speech to the Conference on Free Elections in Washington, D.C., President [Costa Rican President Luis Alberto] Monge said that in your February 7 elections, the Costa Rican people confirmed their faith in democracy as the means of resolving your country's economic problems. I share that faith in the democratic process and agree that economic health is key to a secure future for the entire Caribbean Basin. While congressional approval of the \$350 million supplemental appropriations addresses some of the more immediate concerns, I think we must be equally concerned about the medium- and long-term issues addressed by the trade and investment portions of my own government's Caribbean Basin initiative. This is a major policy priority for my Administration, and we are actively working with Congress to enact those remaining parts of the CBI legislation in the congressional session now underway in Washington.

President Monge's leadership in the recent San Jose conference represented both a growing consensus among the democratic countries of the region as to the conditions necessary for peace, and a commitment among us all to find the means for reducing those tensions. During the past year we have seen free elections and orderly changes of government in Honduras, Costa Rica, El Salvador, the Dominican Republic, and Colombia—all signatories of the San Jose final act. The challenges are real, but so is our commitment to succeed.

Q. In less than 6 months, President Monge has met with you twice in Washington. Now you will meet with him in San Jose. This level of contact

is higher than usual in traditional relations between Costa Rica and the majority of Latin American countries, and the United States. What is the reason for these close contacts?

A. We cannot afford to forget that only a few years ago, Costa Rica, long an historical model for democratic government in the hemisphere, was also virtually alone. In just the last year, six of the countries that participated in the recent San Jose conference conducted free elections and witnessed an orderly change of government. Democratic government has taken the initiative in addressing the economic, social, and political challenges facing the region. This will be my third meeting with President Monge, and it reflects both the common values which we bring to the issues and a recognition that the democratic process, itself, offers a better alternative than the historic and simplistic choices of the extremes of a violent right or a violent left.

Q. We know that the North American Congress has passed strict legislation with regard to sending U.S. troops outside the country; however, the President has the power to send troops for 30 days. In the event of Nicaraguan aggression against Honduras, could our country depend on the concrete assistance of the United States?

A. The obstacles to peace in Central America stand clearly exposed as the countries of the region grapple with severe economic challenges, demand for social justice and reform, strains on public services, and violence frequently born out of the extremist solutions. Your own country has been in the forefront in having proposed constructive solutions to resolve these tensions. Economically, we have collaborated on both the immediate and longer term solutions, and I am optimistic that my Administration's Caribbean Basin initiative will receive congressional action shortly to address the pressing requirements in the trade and investment areas. Politically, the recent San Jose conference final act reflected your country's diplomatic initiatives aimed at reducing the likelihood of further military conflict in the region. As one of the eight democratic governments which

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signed that final act, the United States supports the growing regional consensus on those conditions necessary for peace in the region. As you know, the level of U.S. economic and military assistance to Honduras has risen significantly over the past year in response to our shared concerns in Central America and, I think, represents a clear indication of our support for your country's democratic efforts to surmount these problems.

Q. Our country, a friend and an ally of the United States, has witnessed with surprise the imposition of sugar quotas. What was the reason that Honduras was given a substantially smaller quota than the quotas of countries that are openly hostile to Washington?

A. As I have explained before, the drop in world sugar prices and the congressional reaction to this development left us no choice but to impose temporary sugar import quotas to protect our domestic producers. Quota allocation is based on an average of a country's exports to the United States from 1975—the date when the previous U.S. sugar program expired—through 1981, excluding each country's high and low performance years. The Honduran allocation was determined by this non-discriminatory formula, which we are applying across the board to all countries in accordance with our international trade obligations.

Secretary Shultz's Press Briefing

Brasilia
Dec. 1, 1982⁵

President Figueiredo, Mrs. Figueiredo and the other Brazilian Ministers whom we have been meeting with and who have been our hosts this morning and at luncheon are wonderful hosts. We have had a warm, friendly, gracious reception, and we appreciate it.

I might say that the nature of the visit in which we had a series of formal meetings and then an informal, lengthy luncheon proved to be particularly good

because we had an opportunity, sitting around the table and talking informally, to explore all kinds of topics in a genuinely fruitful way.

In terms of the meetings themselves and specific things that may come out of them are concerned, the two Presidents did ask the Brazilian Foreign Minister and me to coordinate a series of ministerial-level working groups that, basically, pick up work that is now going on and, in addition, perhaps, will start some additional work. But the working groups will range over the following subjects.

First, economic problems which include the areas of finance and trade and all matters of that kind that have to do with the financial and trading systems.

Second, a number of issues and difficulties, in which our two countries' legislations having to do with nuclear issues, need to be worked on; we will have a working group that addresses itself to those issues.

Third, there is in existence—and there will be developed some more under this arrangement—cooperative relationships between Brazil and the United States in various areas of technology—science and technology, including the space area. There are things that they do that are helpful to us and vice versa, and we want to develop this.

Finally, we will explore possible relationships in the area of industrial military fields of cooperation. We will put some working groups into the field on these subjects. Some things have been taking place in these areas already. The two Foreign Ministries have been tasked by the Presidents to ride herd on this process and not think of it as an ongoing thing, but, rather, to see what we can see in these areas and then report back at some fairly prompt, but yet, unnamed date on what we conclude from these studies.

That, in general, is the sort of thing we talked about, and the tone and atmosphere have been exceedingly cordial and pleasant, and I know that we have all appreciated it.

Q. Did the subject of Cuba come up? And what was said about it if it did?

A. It did not come up.

Q. Did anything in these discussions you held today produce any immediate relief for Brazil's financial problems?

A. I think the situation, as I understand it, is that Brazil has involved itself with the IMF and that process is under way. And as I think the President mentioned, there was worked out, and there have been discussions going back, I think, to the time of the World Bank-IMF meetings in Toronto—that was around Labor Day—of various financial problems. The United States has, as it does with many countries, extended in the swap area, what you might call a bridging loan—that was finalized last week sometime—that will help Brazil bridge between that time and whenever the IMF negotiations result in something.

So, there was that, but I would put it in the range of normal swap arrangements that are not totally common but are—certainly occur in many cases among countries in the international financial field.

Q. —of cooperation between the two countries—

A. The question as I understand it was, what new areas of cooperation do I expect in the area of foreign policy? Was that the question?

Q. As the result of these meetings.

A. First of all, our meetings aren't complete in the sense that I will go to the Foreign Ministry after I am through here; we will have some further discussions there. But fundamentally, Brazil has a foreign policy. We have one. We talk about issues and see where we can work effectively together, as in the case of the GATT Ministerial meeting last week. We did not try to identify any particular joint initiative of any kind.

Q. One of the purposes, you said, was to ease the strain over the Falkland Islands dispute between the United States and—

A. No, I didn't say that. You fellows have been writing that all the time, but I didn't say that.

Q. What was said about the Falkland Islands business—about that strain—and what was done or said to try to restore good relations?

A. We have good relations. We don't have to restore good relations. The

Falkland Islands dispute really did not come up as a matter of dispute, and I think that the situation there now is that we have had two votes on the subject—one in the United Nations and one in the Organization of American States—in which we and the other countries of the Americas supported the idea of negotiations to settle a dispute. That is where the matter rests.

Q. Could you be a little more specific about the military arrangements, cooperation, and production? Is there any more in the military area than military and industrial production?

A. No, there is nothing more to be said on that other than that it is a deal of potential fruitful interaction, and it is something that will be explored by the working group. There are various possible things that one would explore in that regard—technological, production, and training things. So, there is a range of possible matters that the military people will presumably discuss. But I think this is sort of something they will have to develop, and they will have to decide what it is they want to talk about. I am not trying to specify in any way any particular agenda.

Q. Is there any talk about the production under U.S. licensing of military equipment?

A. We did not discuss specifics such as that. When this working group assembles itself and sets out its agenda, it will decide whether that is the subject that it wishes to discuss.

Q. Are you looking for more support from Brazil for U.S. foreign policy, specifically, with regard to Central America?

A. Of course, we take all the support we can get for our policies, based on people's feeling that what we are doing is right and deserves to be supported. But we did not come here seeking particular support for any specific thing. Rather, the President came here to express his firm belief in the importance of Brazil and other countries in this region to the United States, to explore issues of mutual interest and to share ideas about them, to promote the ongoing work and start some new work that will be mutually beneficial.

Q. Was anything discussed a great deal toward policy of the United States in that area?

A. When you say that, let me hedge all my answers by saying that I was not in all the meetings between Presidents Reagan and Figueiredo, but I don't believe that it was specifically addressed and talked about as a particular agenda item. That does not mean that, obviously, we are not very interested in it. And as the course of this visit goes on, we may want to discuss it. I am sure that Brazilians are just as interested in it as we are.

Q. You said it was a fruitful meeting but really all you told us about it is that you agreed to set up working groups. What was fruitful? What did you discuss? What came off?

A. The answer is, first of all, that setting up working groups on important subjects with a thrust behind them from the President to get really at these subjects and think them over and come back with a report is quite a significant thing.

This is not something that emerged out of nowhere but, rather, picks up some very important ongoing work in the economic area. There have been a lot of discussions in the nuclear area. There is a meeting, in December, in the science and technology field. We want to gather these things together a little bit, give them a shove and, among other things, see them as a contributor to, and an expression of the links that we have with Brazil and the important relationship that exists between our two countries.

Q. Did they bring up the Caribbean Basin? There were many stories in the South American papers about the Marshall Plan that might come forth. Was there anything like that discussed?

A. There was no mention of stories in the press of any kind, not that anybody does not read the newspapers. But as far as the Caribbean Basin initiative is concerned, certainly one of the purposes of the President's trip is to underline the importance of that initiative. It is being actively considered, and we are very encouraged by the response of key congressional people on both sides of the aisle as they come into the special session in Washington, that there

will be action on the Caribbean Basin initiative. We have from the Chairman of the [House] Ways and Means Committee that he is going to markup on both the trade and the tax aspects of it. We are very encouraged by that. The President's trip and the stopover—not only here but, perhaps, especially in Colombia, which is a donor nation and a Caribbean nation, as well as South American and the Central American countries—serve to underline that point.

Q. Though the Brazilians agree that the GATT talks in Geneva last weekend do include services under the GATT discussions, have you found any evidence that the Brazilians are willing to make some concessions on what people in the United States feel is a protectionist attitude on services?

A. I don't want to try to speak for Brazilians; the Brazilians, of course, will speak for themselves. But I would say, as a general proposition, that the issue of a study group in the field of services, which was agreed to in the GATT meetings, was something that was discussed a great deal. We talked about it a lot, and the Brazilians did; many other countries did. A considerable amount of the discussion is caused by the fact that "services" is a huge word, and it covers everything from ranking and insurance to engineering, and so on. It covers a wide array of things. I think that some countries are more concerned than others about other aspects of what we call services. So, that kind of sorting out was necessary. I am sure the study underway under GATT will have to define a little bit more precisely what it is within the field of services that is being addressed.

In my opinion, this is a very important area to address in the field of trade because what we call "services" are getting to be a larger and larger fraction of trade. If you want to see trade covered by rules of the game, as seems to me is highly desirable, then you would want to explore extending those rules to areas that are, in a sense, not now covered.

Q. Are we willing to send more troops to Lebanon?

A. The President has said that he wants to see Lebanon emerge as a country that can take care of itself and rule itself. He wants to see the foreign forces, all the foreign forces, removed from Lebanon. We are part of the

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multinational force there now, and we are willing to consider now. We are willing to consider proposals that may come along as part of a plan for bringing those things about. The Government of Lebanon has stated that additions to the multinational force are desirable. I am sure that the President will consider that.

Of course, we will want to consider it in its relationship to a plan for accomplishing all of the things that are wanted to be accomplished there. At this point, nothing explicit of that kind has come to the President. And I would say beyond that, that there would not be any commitment before consultations with the Congress had taken place. Certainly, the President is willing to consider additions if that will be helpful in this process. And in terms of when a U.S. commitment would be made, we have to see a specific proposition. We have to consult with the Congress.

Q. What sort of conditions would we want to see agreed to before we would make a commitment?

A. We would want to see, no doubt, the structure of some sort of program that is going to achieve the goals that we and others seek. And then see how the multinational and the U.S. part in it fits into that program. That is the object—not just to have a lot of people there. And you can see, in a general way, the sorts of things that might be done. There have already been some potential missions identified, but there is not, yet, an overall plan to fit into. This is something that will be emerging.

Q. What about consultations with other governments like France and Italy? Are they going on?

A. Yes. We are constantly in consultation with the Governments of France and Italy who are partners with us in the multinational force. Part of the agreement on going in is an agreement for close consultation as we consider it, also, possible that other countries may wish to contribute to the forces there. But at the same time, I think it all is contingent on developing some sort of a program, because people do not want to send forces in without knowing what for.

Q. In the 1960s, there used to be a joint U.S.-Brazilian military commission that was very effective and

presented a message to the world of unity between the two largest countries in the hemisphere. When the human rights issue came about, that was abrogated. The American general was sent home. What are the prospects for restoration of the joint U.S.-Brazilian military commission as it was in the middle 1960s?

A. I think the question of what sort of a relationship is desirable from the standpoint of both countries is the sort of thing that this working group, as it shapes itself, will address. I cannot answer the question in advance. It is something for them to work out, and then to consult within their countries. And we will just have to see where that goes.

Q. Is the United States interested in restoration?

A. The President has agreed to the establishment of the working group, and so has the President of Brazil. That is a pretty good expression of interest. But interest in what is the thing that this group will have to address. I cannot say at this time precisely what it will be.

Q. You said that the United States finalized bridging loans to Brazil last week. Is this the U.S. Government to which you were referring? And, if not, if it is the private banks, then what would be the U.S. Government's role in guaranteeing or backing the private loans to Brazil?

A. It does not have anything to do with guaranteeing private loans. It is part of the broad, swap-line financing that is characteristic of the world of international finance. It is strictly a governmental thing and is bridging between when it was agreed to and when the IMF arrangement that Brazil is starting with the IMF are completed.

Q. Do you think that you can resolve conflicting legislation on nuclear issues? Could you clarify that?

A. We have legislation that places restrictions on the shipment of various nuclear technology, fuel, and so on, depending upon the circumstances and the safeguarding. Brazil, of course, is a country that is developing its nuclear program, and we have to see how these things fit together. As of now, it has been difficult, but we will make an effort to see what we can see.

President Reagan's Dinner Toast

Brasilia
Dec. 1, 1982⁶

President Figueiredo, thank you for your cordial welcome. There is an old saying in Brazil that says: "The United States is a very big country, but Brazil is colossal." Flying for hours in a jet aircraft gives one a sense of just how colossal Brazil is. In fact, the only thing larger than Brazil is the heart and good will of the Brazilian people. You and all Brazilians have said *bem vindo*—welcome, and we do feel welcome and at home.

I'm told that 77 years ago the Baron of Rio Branco, that great Brazilian diplomat, in referring to the arrival of one of Secretary Shultz's predecessors, Elihu Root, is supposed to have said: "His eyes may not be dazzled by our small material progress, but his American philosophy will surely be pleased to note the new phenomena in the Brazilian nation: activity, energy, and hope." I can assure you that my American philosophy is still very much in tune with Brazil's phenomenal activity, energy, and hope. I must also admit that my eyes are dazzled by the progress of the Brazilian nation.

Clearly, the postwar period, the time when relationships were still determined by the monumental events of the Second World War, is over. Old patterns are giving way to new relationships. Economic and political power once concentrated in the hands of a few is being spread, as it should, among many nations. This is a result, not of redistribution, but the creation of vast new wealth, generated by modern technology, creative enterprise, and hard work.

President Figueiredo, you capsulized it well at the United Nations when you said: "The extraordinary release of productive forces on a worldwide scale in the post-war period wrought within a few decades the intricate patterns of a different world, a complex and unstable world, but also a diversified and promising one." I was very much impressed by

the depth of analysis and the strength of conviction of your speech at the United Nations.

Today, I renew my pledge to maintain with you the closest of consultation. Friendship does not mean total agreement; instead, it suggests shared values, ideals, mutual respect, and trust. This is certainly true of the Brazilian and American peoples. I know, it is true of you and me as individuals. Our countries, as friends, and we, as leaders of these great nations, will work together to overcome the challenges we face to our prosperity and freedom.

Recently, our economies have been hard hit by recession, something experienced in most of the world. In the United States, as you're doing here in Brazil, we're taking the painful steps necessary to overcome the economic crisis that threatens our people. Self-discipline is necessary; so, too, is mutual accommodation. Borrowers must move to restrict their deficits. But it is just as important that lenders not withhold new funds from countries which adopt effective stabilization plans. Lenders and borrowers must remember that each has an enormous stake in the other's success.

Similarly, the integrity of the world trading system must be preserved, so it can serve once again as the great engine of growth. Closed markets must be carefully opened. Open markets must be shielded from protectionism. Our challenge is to make our trading and financial relationships remain a source of prosperity and strength, not become a source of discord and disagreement.

Toward that end, we believe that economic relationships among the trading nations of the world must rest on three main pillars.

First, a spirit of cooperation. Our economies are so clearly intertwined that our best hope for growth is to act in concert and not in isolation. Nothing is more destructive than unilateral decisions by individual countries to cut back trade or financial flows. We cannot prescribe what the private sector should do. But our aim should be government and private relations that can be relied upon.

Second, a spirit of fairness. In today's climate there is powerful temptation for countries to take action at the



Presidents Reagan and Figueiredo exchange dinner toasts at the Palacio do Itamaraty.

expense of their neighbors. We have seen, in the past, the damage that can do.

Finally, there must be a spirit of commitment—commitment to stable economic growth shared by nations around the globe.

The debt problems facing many nations today are imposing, and we must act together to insure that we have the tools to deal with them. The resources of the IMF are one of the most important of these tools. To assure the adequacy of the IMF resources, the United States has proposed that in addition to an increase in the IMF quotas, there should also be a special borrowing arrangement to meet the demands that

may be placed on the IMF. Where countries need assistance as they seek IMF funding, those able to do so must act to provide bridging funds. We also need trading rules that reflect the enormous changes in world trade that have occurred since GATT was established 35 years ago. The meeting which has just ended in Geneva was a useful step along the road, but we still have a long way to go.

Many countries will need to pass through a painful period while making necessary adjustments in the years ahead, and we must work closely together during this transition. We will work with you to help the international system evolve so as to bring a brighter economic day to all our people. At times, it's too easy to be lured into the trap of seeing only the problems, pitfalls, and vulnerabilities of the journey. This is especially true in a period of economic crisis.

President Figueiredo, the United States is overcoming its crisis, and I want you and all Brazilians to know that we're confident that Brazil will surmount its current difficulties. There's an old saying here that "Nothing stops Brazil." Nothing will stop Brazil.

We're confident because we know the character of your people. Our citizens came from the same mold. We are nations of immigrants. Our national soul was honored in the frontier, by people with the courage to leave the familiar and face the unknown. This is the heritage of your land and mine. The people who came here wanted to better their lives and the lives of their children. The frontier of the New World didn't offer streets paved with gold. It offered opportunity and the spirit of freedom. Today, freedom-loving people around the world are tremendously encouraged by your stable transition back to democracy.

History proves that the freer a people become, the more their creative energies are unleashed. You touched on this last year when you outlined your commitment to representative government. "Democracy," you said, "is none other than a system in which every individual has the chance to play a highly responsible and active role on the stage of national politics, rather than the role of a mere passive spectator." Last

White House photo by Jack Kightlinger

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month about 50 million of your countrymen became political activists instead of spectators. Your legislative and gubernatorial elections demonstrated the vigor and vitality of the democratic ideal in this hemisphere. We salute you, President Figueiredo, for your strong leadership in opening this new frontier, or chapter, I should say, in your country's history, and we salute your fellow countrymen as well. From all accounts, your elections were much more than political contests, they were a celebration of freedom.

What we strive for is a hemisphere where the future is determined not by bullets, but by ballots—a hemisphere of countries at peace with themselves, one another, and with the world. The peace we've known has been a precious asset for the Americas. Instead of allocating a great share of their resources on military spending, the developing countries of this hemisphere have invested in the future. This has been no accident.

From the Pan American Union to the treaty of Rio de Janeiro and the Organization of American States, this hemisphere has been in the forefront of multilateral, international cooperation. No other region of the world can match our record. I cannot forget that when last we met the hemisphere faced a crisis in the South Atlantic and your country was a voice of moderation and reason. We both found to be unacceptable the first use of military force to resolve that dispute. Underlining our support of this principle, the United States recently joined with Brazil and other countries of the hemisphere in calling upon Great Britain and Argentina to negotiate their differences. As your speech before the United Nations suggested, Brazil's concern for peace extends far beyond this hemisphere, especially in an age when the weapons of destruction threaten all mankind.

Let me assure you tonight, and all of our friends in this hemisphere, the United States is absolutely determined to maintain peace and bring the nuclear arms race under control. Here, again, our hemisphere has an exemplary record through the nuclear-freeze zones defined by the 1967 treaty of Tlatelolco, we have

already demonstrated the kind of progress that can be achieved in this vital area of arms control.

Brazil can take great pride that it's a country with a long border touching more nations than any other in this hemisphere, and, yet, you remain at peace with your neighbors. This is a gift from a former generation of Brazilians, such as the Baron of Rio Branco who, with vision, hard work and a spirit of fairness and compromise, resolved difficult problems. Together, we should strive to pass on that same gift to future generations in our hemisphere.

But just as threatening as conventional armies or nuclear weapons are counterfeit revolutionaries who undermine legitimate governments and destroy sources of economic progress; insurgents who are, at great expense, armed by the surrogate of a far away power—a power that espouses a philosophy alien to the Americas, whose goal is the destabilization of our governments and our economies. This is aggression, pure and simple.

When President Dwight Eisenhower visited the city in 1960, even before it was consecrated as your capital, he stressed the commitment of the United States to the charter of the Organization of American States and the mutual assistance treaty of Rio de Janeiro. Today, I reaffirm that commitment and that pledge. We stand firmly with the other responsible nations of the Americas in opposing those who, with violence and force of arms, try to undermine economic progress and political stability.

The government among the American states, of course, is as much moral as it is legal. A great Brazilian statesman, Joaquim Nabuco, understood this when, at the turn of the century, he noted: "Our alliance is . . . a completely peaceful one, which shines outside of the American orbit only to let the rest of the world know that it can be called the hemisphere of peace." Those words reflect the goal of the United States, a hemisphere of peace.

Tonight, I want to share with you a dream I have about the Americas.

Joaquim Nabuco must have had a similar dream when he called for us to be a vanguard of civilization. It is a vision of two great land masses rich in opportunity and resources, populated by people from every part of the world, every race, and background; living together, trading together in peace and freedom; people who share a desire for liberty and a respect for the rights of others; a people who know that with ingenuity and enterprise no obstacle is too great; people who share a belief in those fundamental values of God, family, and justice that give meaning to our existence.

What is so remarkable is that this dream is within the grasp of this generation. We have a hemisphere composed of 600 million hardy souls. We have the resources and the know how. Just as important, we have a wellspring of goodwill between us that waits to be tapped. With faith, commitment, common sense, and strength of character, we can meet the challenges to our peace and prosperity. No one should be disheartened by the dark night of problems that surround us. There is a beautiful sunrise coming and when it does, as Nabuco said, we can shine as an example to the rest of the world. We can and will be a hemisphere of peace, of prosperity, and of freedom.

I was deeply moved not only by the unique gesture you made today in offering a delightful lunch and meeting, but, also, the warmth and hospitality that you have shown to me and my Cabinet officers. President Figueiredo, all of you, it has been an honor to be with you this evening. Please accept on behalf of the American people our warmest wishes of friendship, admiration, and respect.

And now, would you join me in a toast to President Figueiredo, to the people of Bogota—that is where I am going—to the people of Brazil, and to the dream of democracy and peace here in the Western Hemisphere.

President Reagan's Remarks to U.S. and Brazilian Leaders

Sao Paulo
Dec. 2, 1982⁷

Governor [Jose Maria] Marin, *obrigado*. Thank you very much. I have looked forward to this day. It is an honor to speak to men and women of enterprise here in Sao Paulo. This city was built by innovative and hard work in a spirit of confidence and hope.

I bear heartfelt wishes of friendship from your neighbors to the North who, like you, are Americans, citizens of this new world. Like you, they yearn deeply for peace, share your love for democracy, and your commitment to build a future of progress and opportunity. On their behalf, to all of you, I say *estamos como Brasil. E nao mudamos*. We are with you Brazil. We will not waiver.

We look to Brazil with the admiration and respect that is due a great nation. One of your renowned writers, Monteiro Lobato, lived in our country in the 1920s and 1930s. While there, he wrote a book called, "America," in which he said, "The Brazilian considers his country the marvel of marvels, but with one single defect, that is it not known well abroad." If he were writing today, he could still say Brazil is the marvel of marvels, but he would have to admit that your reputation has caught up with your achievements.

We hear it said, in a world wracked by political tensions, recession, poverty, energy shocks, debt, high interest rates, and inflation, that there is little hope for a new era of lasting growth and prosperity. I would never minimize the problems we face, or the urgent need to deal effectively with them. I will talk about them in a moment. But you know I just have to say that I have been around for quite a few years now. I keep being reminded of that. I have lived through world wars and economic depression, and what has impressed me even more than those terrible crises is mankind's unending courage to bounce back, to struggle, to find new cures, and novel



Arriving in Sao Paulo, President Reagan is greeted by Governor Jose Maria Marin at the Governor's Palace—Palacio dos Bendeirantes.

solutions. To all those doom-criers—and they are worldwide—we have a message. The hope of the world lives here in the New World, where tomorrow is being built today by brave pioneers like yourselves, people who believe in each other and who will never lose their faith in the future.

In that remarkable speech that President Figueiredo gave to the United Nations, he expressed his confidence in the world community's capacity for renewal. He said of Brazil, "we have made considerable efforts toward economic development, with promising results which fill with hope not only the people of Brazil, but also all peoples yearning to attain standards of living compatible with human dignity and modern development. I share his confidence. May I also share with you today

a dream that I've long had? A dream of strengthening our relations with Brazil and with all our neighbors here in the Western Hemisphere. On this shrinking planet, the drive for renewal, economic progress, and the leadership for world peace must increasingly come from the New World. Here, we are blessed with great abundance: resources, technology, and, most important, the spirit of freedom—a spirit that harnesses our energies to pursue a greater good.

There is, in the world today, a counterfeit revolution, a revolution of territorial conquest, a revolution of coercion and thought control, where states rule behind the barrel of a gun and erect barbed wire walls, not to keep enemies out but to keep their own people in. The real revolution lives in principles that took root here in the New World. The first

(White House photo by Michael Evans)

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principle says that mankind will not be ruled, in Thomas Jefferson's words, "by a favored few." The second is a pledge to every man, woman, and child: No matter what your background, no matter how low your station in life, there must be no limit on your ability to reach for the stars, to go as far as your God-given talents will take you.

Trust the people; believe every human being is capable of greatness, capable of self-government. This is the soul of our revolution, the soul of democracy and freedom. It's the New World's gift to the Old. Only when people are free to worship, create, and build, only when they are given a personal stake in deciding their destiny, and benefiting from their own risks—only then do societies become dynamic, prosperous, progressive, and free.

In terms of geography, Brazil is of the South and the United States the North. But in terms of historical ties and fundamental values, we are nations of the West and the New World. And we are among the few nations which exercise worldwide influence and responsibility. As Americans from the North or South, whether we are leaders in government or private industry, we must work harder to break down barriers to opportunity for our people. We must marshal every possible asset for growth. We must insist on sound economic policies at home and more open trading and financial systems around the world.

The great republics of South and North America and the Caribbean have virtually unlimited potential for economic development and human fulfillment. We have a combined population of more than 600 million people. Our continents and islands boast vast reservoirs of food and raw materials. The markets of the Americas have produced high standards of living. We offer hope to oppressed and impoverished people. We are nations of immigrants. Our resources have made the New World a magnet for migration from all continents. But it has been the vision, the enterprise, the skill, and the hard work of our people that has created our wealth and well-being.

The developing countries of this hemisphere have achieved a record of soaring growth over the last genera-

tion—growth in savings, investment work, and resources; growth from open world markets for trade and finance; growth from private initiative, risk, and reward—the cornerstone of both economic and political freedom. When we, in the States, look at Brazil we see the success of an economy that grew four-fold in 20 years, doubling per capita income; the promise of tomorrow in Brazil's youth—with one-half your population under 21, and becoming better educated every year; a confident response to the challenge of the 1980s—diversifying your economy and exports with new markets and technologies; leadership and vision in daring projects like Itaipu—which will be the largest hydroelectric dam in the world; and a strong energy substitution drive, including the alcohol fuel program which is to power more than half your automobiles by 1985. We, also, see Brazil's modern pioneers exploring a frontier as challenging as the Amazon: Space. Today, I would like to propose an idea to you—to have a Brazilian astronaut train with ours so that Brazil and the United States can one day participate in a shuttle launch together as partners in Space. [Applause.]

Last night, I told President Figueiredo that the United States has confidence that Brazil will overcome its difficulties just as the United States will overcome its own. But we face serious problems. Your economy has been in recession, and so has ours. In the next decade, we must both provide millions of jobs for our people. By taking the necessary steps now, our countries can lead the world toward a new era of growth, but this time, growth without the albatross of runaway inflation and interest rates.

Three things are essential for full world recovery and development. We must each move to correct our domestic, economic, and financial problems. We must protect the integrity of the world's trading and financial systems. And we must work together to help the international system evolve and better assure our mutual prosperity.

First, the most important contribution that any country can make is to get its own economic and financial house in order. Many countries, including our own, did not do so. Somewhere along the way, the leaders of the United

States forgot how the American growth miracle was created. We substituted government spending for investment to spur productivity, a bulging bureaucracy for private innovation and job creation, transfers of wealth for the creation of wealth, rewards for risktaking and hard work, and government subsidies and over-regulation for discipline and competition from the magic of the marketplace.

For the United States, the way back has been hard. When my Administration took over, we faced record interest rates and inflation and the highest peacetime tax burden in our history. Our recovery program is designed to help us make a long overdue transition to an investment-powered, noninflationary economy that will put the United States back on the cutting edge of growth. We have cut the growth of Federal spending by nearly two-thirds, and soon we will have reduced personal income tax rates by 25%—well more than that, total tax rates. We have cut the top rate of tax on interest and dividend income; introduced strong, new incentives for savings; encouraged capital formation by permitting more rapid depreciation of plant and equipment; and aggressively pursued deregulation of markets in energy, transportation, and finance.

Many of these reforms have been in place for barely a year. Much more remains to be done. You can't wipe away decades of sin with 1 year of penance. But confidence is returning to the United States. We believe recovery is in sight. Inflation and interest rates have been brought down dramatically. Real wages are increasing for the first time in 3 years. Productivity is up sharply. Venture capital in small business—the best source of job creation and technological innovation—is near a record. The personal savings rate is at a 6-year high. Our equity markets have made an historic advance on recordbreaking volume. And our bedrock industry, housing, has begun to rebound. We are also seeing signs of strength in auto sales.

We believe the door is now opening to a lasting, broadbased economic expansion over the next several years. As the world's largest single market, a prosperous, growing U.S. economy will mean increased trading opportunities for our friends in the developing world. Brazil is

preparing to take advantage of these opportunities. Your country has been making the difficult reforms needed to renew expansion.

Second, all of us are trying to work our way free from this tenacious recession. But we can always make a bad situation worse by damaging those powerful engines of growth—the world's trading and financial systems.

Over the last 20 years, Brazil has exported an expanding range of industrial and agricultural products, while developing its own raw material resources. Your role in the international trading system is now indispensable. Your potential is enormous. There are some in the industrial world who view your success with apprehension. They fear being overwhelmed by your competition. They fear that one sector after another will be deindustrialized and redeployed to the developing world. Likewise, there are some in the developing world who attribute persistent poverty to industrial powers, whom they accuse of exploitation.

I can't accept either argument. One need only look at the U.S. exports to the developing countries of this hemisphere—which have increased six-fold in a decade, the same as imports—to see that new competition brings new opportunities. With so many out of work—in my country, yours, and others—protectionism has become an ugly spectre stalking the world. One danger is protection against imports, erecting barriers to shut out the competitive goods and services of others in one's own market. Another danger is protection of exports, using artificial supports to gain competitive advantage for one's own goods and services in the markets of others. The aim of these actions may be to protect jobs, but the practical result, as we know from historical experience, is the destruction of jobs. Protectionism induces more protectionism and this leads only to economic contraction and, eventually, dangerous instability.

Third, our crisis today is not between North and South, but between universal aspirations for growth and the longest worldwide recession in postwar history.

But let us also acknowledge another fundamental fact of economic life: This recession has had a particularly painful

impact on developing countries. They have suffered declining demand in world markets and falling access to financial markets. This greatly complicates our collective recovery. So, if it is inevitable that borrowers must move to restrict their deficits, it's equally important that countries like Brazil that adopt effective stabilization plans be assured of continued financing. Lenders and borrowers must remember that each has an enormous stake in the other's success.

I concur with your President that we need solidarity and understanding. Last February I spoke before the OAS in Washington. I pledged that our Administration would seek a new relationship with the nations of the Caribbean, and Central and South America. I said that we would approach our neighbors not as someone with still another plan, but as a friend, pure and simple—one who seeks their ideas and suggestions on how we could become better neighbors. And this is what we've done in Brasilia. We discussed our problems, compared notes, and sought solutions. Let me repeat: We want to go forward with you to help the international system evolve in ways that better assure our mutual prosperity, and we will go forward.

To handle the liquidity crisis, we have agreed that the IMF resources should be increased. We have also proposed a special borrowing arrangement to make sure that the IMF will have adequate funds to carry out its function. The leading developing nations should all enter the world trading system as full partners. Then they can share more fairly in the gains from trade and, at the same time, assure more fully the obligations of the trading system. All we ask is that we examine together the mutual trading gains that can be achieved through reciprocal action. I have enormous confidence in the methods that have brought unprecedented benefits in the past.

- We must improve the mechanisms for the settlement of trade disputes to take economic quarrels out of the political arena and base resolution of conflicts on criteria we all respect.

- We must complete unfinished business—trade in agriculture which has resisted liberalization in the post-war years, and agreed rules on safeguards in the event of injury that provide for transparency and equity.

- We must look forward to the emerging challenges of the 1980s, such as trade in high technology products and processes—processes; then, to devise rules will insure we do not impede the growth potential of the technological revolution.

Finally, let us remember that just as progress is impossible without peace, economic growth is a crucial pillar of peace, beckoning with brighter horizons all who dream of a better life.

To deter aggression the United States must and will remain militarily strong. When I met with His Holiness Pope John Paul II, I gave him the pledge of the American people to do everything possible for peace and arms reduction. For the sake of the children of the world, we're working to reduce the number and destructive potential of nuclear weapons. We're working to end the deadlock between Israel and her Arab neighbors, and we're working, as you are, to preserve the peace in this hemisphere.

When Pope John Paul visited here in 1980, he said to young Brazilians, "Only love can build." From the moment we arrived in this land of spectacular beauty and unbounded energy, we have been touched by the special warmth of the Brazilian people.

We've come to know the heart of Brazil. We will say goodbye knowing her heart is strong; her heart is true; her heart is good. Brazil will build. You will grow. And by your side will be the United States—your partner in the New World, a partner for progress, a partner for peace. *Estamos como Brasil. E nao mudamos.*

President Reagan's Departure Statement

Brasilia
Dec. 3, 1982⁸

I leave Brazil impressed and reinvigorated. I have felt the warmth and energy of the Brazilian people and their dedication to peace and freedom.

My meetings with President Figueiredo and his ministers were successful in spirit and substance. We con-

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Secretary Shultz's Press Briefing

Enroute Colombia
Dec. 3, 1982⁹

We are coming to Colombia because this is an important country to the United States and the interests of the United States. There are an underlying set of things that make that so.

First, Colombia is a country with a democratic government and a tradition of democracy. This is a value that we share and that we think is of tremendous importance everywhere, but, particularly, we are seeking to emphasize this point throughout our hemisphere.

Second, we are concerned for peace in our hemisphere. Our hemisphere, over the decades, has been the most peaceful in the world, and we seek to keep it that way. We know that there is turmoil in Central America right now, which, with Colombia—surrounds the Caribbean Basin. And we are doing everything we can to support the democratic countries to help them in their ability to counter the threats to their stability. We believe that Colombia, as a Caribbean country, has a similar interest. Therefore, we want to discuss that interest.

Third, we have a great interest in, and stake in the economic development of this area. Colombia is one of the donor countries, along with ourselves, in the Caribbean Basin initiative. We think that economic development is a key to stability. And it is a key, obviously, to a better life for peace in the region. That is what the Caribbean Basin initiative is all about.

One of the aspects of the Caribbean Basin initiative involves trade. And, in fact, the approach of this initiative is one that has a certain amount of aid involved in it. There is, flowing to the Caribbean Basin, on the order of \$1 billion a year, all things taken together now in all forms of aid. But there is a certain element of that in it. But, even more, we are seeking to emphasize the importance of trade and investment in this whole process.

I know that Colombia—as we are, as everybody is—we are all concerned

about the importance of economic expansion and about the threats to protection of markets that accompany poor economic conditions. We have been fighting that battle, and I feel sure that we will hear a lot about the dangers of protectionism when we are here. We agree on that. We want to discuss that subject and what strategies we may mutually pursue toward it.

These are things that represent values that we have in common that are, you might say, part of the reality why it is that, over a period of years, the relationships between Colombia and the United States have been good ones.

We also share a problem, on different ends of it, that is very important to us and to Colombia, namely, the problem of drugs—the flow, from Colombia to the United States, of a large amount of drugs. There are all sorts of elements to it. One can say they would not come to the United States if people in the United States didn't buy them; that is part of the problem. There is the—all of the things having to do with interdiction of this flow, and then, of course, there is the origination point. This is a problem that we have and which we will want to discuss along with the issues of democracy, peace, trade—both in the Caribbean area, generally, and with respect to Colombia. I might say we have a pretty healthy amount of trade between the United States and Colombia.

Q. Are there—so Colombia and the United States have slightly different views about the nature of the violence in Central America? When Colombia signed on with the Costa Rican conference in October, some say that that was under the previous—that initiative was made by the previous president. This new president is less of a known quantity to the United States in that he may have some differences in views. Is that one of the things you want to explore?

A. He may very well have some different views, and it may very well be that as this visit unfolds it will have more rough spots in it than we would like. On the other hand, we have these points in common. We have problems to

ucted serious discussions about the international systems of trade and finance and the difficulties both our countries face in this period of slow economic growth around the world. We discussed the importance of trade and free markets to bring lasting growth. For my part, I've gained a deeper understanding of Brazil's perspectives.

President Figueiredo and I resolved to find mutually acceptable solutions to those areas where we have differences, and to remain open to possibilities for new cooperation, especially in the areas of scientific and military industry. I leave confident that Brazil, like the United States, has the skill and determination to work its way up to renewed growth and prosperity. When I arrived here I reminded President Figueiredo of the old saying, "Nothing stops Brazil," and now I know it's true.

We considered the threats to peace in the hemisphere and in the world, the dangers of a nuclear arms race, the crisis in the Middle East, and prospects in southern Africa. I confirmed our intention to maintain a strong defense as the best assurance of peace for us and our friends.

I made clear to President Figueiredo our desire to continue close consultations with him. Of course, there are issues on which we have differences. But our mutual interest in cooperation is infinitely stronger. I hope that my visit has helped—in the same way that President Figueiredo's visit did—to improve an already warm relationship.

On behalf of our entire delegation, I want to thank you and all the Brazilian people for the wonderful hospitality you showed us. Since I hope this meeting will not be our last, let us not say [inaudible] *Adeus*, but *Ate Logo*. We go with the spirit of your friendship tucked close to our hearts.

talk about, and the way to deal with important problems in an area that is of significance to you is to go there and talk about them.

Q. (Inaudible)—I mean what—we have the feeling on this ride to Colombia that something has shaped up that is almost confrontational. Are we off base on that?

A. I suppose that depends upon your definition of confrontational, but there may be some differences of view. That remains to be seen. At any rate the way in which we will approach it is to state our views and to discuss them and to lay the groundwork for a strong relationship between our countries.

Q. What is the main difference? I mean what has cropped up? Is it Central America and the turbulence or is it trade and protectionism?

A. We are not there yet, and I am not sure just what there may be.

Q. Are you worried that you are going to have a relatively hostile toast or a somewhat negative toast by the Colombian president? Have you gotten some indication?

A. There are indications that we try to get from our Ambassador working there, and they are provided with thinking that we have. We are trying to compose this visit, and have for some time, so that it will be a constructive one. I am saying that constructive does not necessarily mean that everything goes in apple-pie order, but, rather, that you bring to the surface whatever they are and grapple with them. I don't want to make a statement about what may be the most difficult issues for us to discuss.

Q. What about the big demonstrations that are spreading there? What is the cause of those?

A. I don't want to speculate on problems within their country.

Q. [President] Betancur has said that the United States considers Latin America its backyard patio and that it does not have a real Latin American policy. There are all kinds of reports that it is feeling warmer toward Cuba than since it cut off relations and that it is feeling warmer toward Nicaragua and is thinking about joining the

nonallied nations. Clearly, this shows a lot of differences in U.S. policies. How does the Administration feel about this? How are you going to try to rectify that? Do you want to bring Colombia back into the U.S. fold? What are your objectives on that?

A. I don't think it is a question of the U.S. fold. It is a question of putting forward to them what their thoughts are about how our inter-American system can be improved. The inter-American system is something we all have a big stake in—of discussing these and other issues with them so that they understand our thinking; we understand theirs.

Q. Will it be with the premise that it is moving closer to Cuba and Nicaragua and is against—contrary to our policy at the moment?

A. I am not making any particular premises. They have made a number of statements of the kind that you have quoted, and they have moved in the direction of the nonaligned movement. Those are things that—some things we will have something to say about.

Q. We will say something about that?

A. We will discuss these issues with them. But, of course, they are a sovereign country as we are. They will decide for themselves, of course, what they want to do. We will be here to discuss all of these issues with them.

Q. What about their policy in seeking amnesty for—or offering amnesty to at least one of the insurgent groups? Does the United States look with favor on that sort of thing, or do we feel that these insurgents are part of the overall pattern that you and the President have outlined in the past as plaguing Central America.

A. As Ambassador [Assistant Secretary for Inter-American Affairs, Thomas O.] Enders brought out, they have been plagued with terrorism in Colombia for quite some time. Their effort to do something about it through the offer of amnesty seems like a constructive thing to do, and it is something they are managing. I wish them the best of success. If you look at the material in the San Jose conference report which Colombia signed, you see that the democratic nations that went there called

upon all of the countries of the region to seek pluralism, to try to bring discordant elements in their society into the democratic process, in the legitimate governmental process, and this, it seems to me, you can take as an expression of that on the part of Colombia.

Q. Do we have any sign that President Betancur is still on board on that conference? I mean, have they sent any signals suggesting that they now have some misgivings about joining it?

A. Not that I know of.

Q. Explicit in this invitation, did we ask Colombia—did we invite ourselves, basically, or did we want to go to Colombia? It sounds like we're not so welcome.

A. I think we're welcomed enough. We raised the question with the Colombian Government, and they responded. We had some difficulties with precisely what the arrangements should be—just working out the mechanics of it. But I don't think anything beyond that.

Q. What are we going to do about drugs, specifically? Is there a great difference of opinion in trying to stop it, or do they object to us intruding into their own country's affairs? What are we asking them to do with drugs?

A. There are various ways in trying to contend with the production of drugs, and some of them are more comprehensive than others. We'll want to talk about these and explore the attitude of the new government to them. I don't want to say, there's one, two, three, four, and five, and we're going to push for four. But, rather, to say there is a general subject here, and we'll want to explore it.

Q. Is there any difference of view, do you think, in this area—

A. This remains to be seen how much difference of view there is.

Q. You don't know how they feel about this problem?

A. We know that they share our concern about the whole drug scene, and it's a question of what means people are willing to use and how effective you evaluate those means to be.

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Q. Don't drugs contribute substantially to their economy?

A. Yes and no. That is, there is an amount of money that is paid for the drugs, obviously, but that also helps to support an element in the society that is often not very constructive, to put it mildly—just as the drug trade in the United States has connected with it an element in our society that we don't particularly admire.

Q. Are there any precooked agreements this time around?

Q. Colombian astronaut?

[Laughter]

A. No Colombian astronaut.

Q. [Inaudible.]

A. There will be a toast which is—on both sides is, in a sense, a substantive statement, and there will be some—

Q. [Inaudible.]

A. It isn't—the toasts are not just "nice to have you, and I'm glad to be here," but, rather, an effort to say something substantive. At least, I know we've been working on the President's toast, and he has to state things that he thinks are important here. I assume that they will do the same.

Q. Will you be making any specific proposals to them in any of these areas you've outlined?

A. There is ongoing discussion in those areas, and I don't think there's anything that is in the nature of a precooked deal or a statement of some kind that—

Q. [Inaudible.]

A. No.

Q. Is the Saudi Foreign Minister meeting with the Soviets today or about to?

A. The Saudi Foreign Minister is a member of the Arab League delegation that is being led by King Hussein, and they decided at the Fez summit that they would have a delegation visit each country which is a permanent member of the U.N. Security Council. That's what they're doing. They have a delegation that's going around visiting at the—they think of it as they did when they came to the United States. They think of it as an Arab League delegation as distinct from this country or that country.

Q. Are they meeting with [General Secretary of the Communist Party of the Soviet Union Yuriy] Andropov, or are they meeting with the Soviet leaders? Is that correct?

A. Just who they meet with and what that schedule is, I don't have right in my hand, but we can find out about that.

Q. Do you find it disturbing that the Saudis and the people in the Middle East who have been anti-Soviet are now meeting with them? Does that bother us at all?

A. The Arab League group, which includes countries that have had close relationships with the Soviet Union—such as Syria—all came together and formed a common agreement. They feel—I think it's fair to say they feel quite good about the fact that they did have an agreement to which they all subscribed. They wanted to talk about this agreement and what their ideas are to a representative group of some countries. I suppose the countries that were close to the Soviet Union thought that the group ought to go there just as those who had other ideas thought they should come to other countries. And the U.N. Security Council permanent member, I think, probably have a pretty clever way of getting at that.

Q. [Inaudible] that meeting, give us a fast capsule about what the meeting tonight will be on the Salvador—with the Salvadorans?

A. Why don't we try to do that on the leg between Colombia and El Salvador? We'll get back to you on that.

Q. Some of us have to write early stories. Can you give us one line about what he's going to say. For instance, I had heard from the El Salvador Ambassador to the United States that [El Salvador's President Alvaro] Magana

is expecting an admonition on human rights. Will that happen?

A. Why don't we do that on the next flight?

Q. It's just so late at that hour for monitoring newspapers.

A. On the subject of human rights, which is obviously an important one, we have the general policy that we talk about it, care about it, work on the subject. We believe that it is more effective to do that privately and directly to the extent possible.

That means that, if I talk about it to you, we are not doing it that way. We have a number of subjects to talk about. They run across the board of the capacity of the government and our encouragement of it to provide secure and stable conditions in the country; contain the insurgency; our joint interest, economic development, which depends upon getting stability; our interest in the maintenance of their democratic regime; and the relationship of democracy to the way people are treated; and, too, what are generally called human rights concerns. We will talk across the board about these things, but I do not want to spotlight any particular matter.

Q. I understand why in the diplomatic world it would be better to do these things privately. But, still, you need some support domestically in the United States to continue getting Congress to give aid. Would it not be good from the Administration's point of view to have the United States know that the President is going to try to prod him on the issue a bit?

A. We will come to the Congress with a report as part of the process of the Congress' continuing to go along with the support for El Salvador and other countries. There will be a formal report, and it will take up the question of human rights. There will be, as has been the case in past reports, statements about all of the difficult subjects that come up. They will be done as carefully as we can possibly do them and as accurately as we can. I think the time for us to comment is when we make that report.

COLOMBIA

President Reagan's Luncheon Toast

Bogota
Dec. 3, 1982¹⁰

Reverend Clergy, President Betancur, I'm happy to be in Santa Fe de Bogota—the Athens of America. I appreciate this opportunity to reaffirm the close and longstanding ties between our peoples.

Since 1824, when a U.S. Representative, Richard Anderson, became the first foreign diplomat to be formally accredited here after independence, my country has followed with admiration the development of your constitutional tradition.

Colombia's great independence leader, General Francisco de Paula Santander, is celebrated today not so much for being the great warrior he was, but as the "Man of Laws." He declared, "If the sword gave us independence, the law will give us liberty." You are a man of law and liberty. Your first statement as President-elect of your country carried on the profound tradition of law and liberty in Colombia. "I aspire," you said, "to a happy and open democracy in which citizens who wish to be representative must win that right in a frank contest with the broad participation of the new generations, a contest in which merit, quality of service, and proven honesty will be the best attributes for receiving popular support."

We all know that the democratic path is never easy. But it's a path toward which the peoples of this hemisphere are increasingly turning. Democracies are better able to reconcile their internal differences without violence. They're also neighbors in whom we can have confidence.

As I said in my very encouraging visit to Brazil, I did not come to visit with any preconceived plan that we wished to impose. I came here to listen and to learn—to ask how we could be of greater help in promoting peace and progress in the Americas. It has long

been my dream that the more than 600 million people of the Americas could represent an enormous force for good in the world. Just think how much we could achieve if there were accord between us. In that spirit, let me say how much I appreciate your frankness here today. I know you were speaking from the heart. And I can assure you that we were listening closely.

One of the great traditions of democratic nations, as you know so well, is that leaders can speak candidly to one another and accept the other's thoughts in the constructive spirit in which they're offered. You have spoken frankly. Now, let me do the same. Ours is a region in which powerful bonds unite

countries and people. It is also a region in which primarily, perhaps because we expect so much from each other, powerful misunderstandings can arise. When people—above all, these people who exercise responsibility and must make decisions—do not know each other, potential for misunderstanding is particularly great. That's why I'm here, coming as a friend and neighbor, asking what are our problems and differences and how can they be overcome.

Our neighbors in Central America are in turmoil. They are threatened by a devastating economic crisis and by local insurgencies supported by outside countries which do not wish to see the republics of America succeed. The ques-

President Reagan's Statement to the People of Colombia, November 26, 1982

At President [Belisario] Betancur's kind invitation, I will soon be visiting your nation. I am looking forward to this visit very much. There is much I hope to learn and see in your beautiful country.

Our two countries have a great deal in common. We share a similar history, a similar form of government, and similar aspirations. We agree on many values and objectives. Both of our nations seek peace in the hemisphere, peace in the world, the growth of our economies, and the well-being of our people. We also share some problems such as the impact of illicit narcotics on our societies.

We do not agree on every issue, but this is natural. Diversity is one of the great strengths of democratic societies. Democracy only requires that we work together to understand each other, that we listen to each other, and that we address our differences seriously with mutual respect. I promise to do that.

The peace of the hemisphere and the strengths of the intra-American system are key issues for both of us. The United States is firmly committed to peace and security in your region. I take this commitment very seriously. When the peace of a democratic state is threatened, we are concerned. When that country is a close neighbor, we are doubly concerned.

Security can be threatened by military actions. But security is also threatened by economic distress. The Caribbean Basin initiatives will address the underlying economic and social problems that are retarding the development of the Caribbean Basin states. We, in the United States, warmly welcome Colombia's decision to participate in this initiative, and we greatly value your desire to contribute to the economic development and the strengthening of democratic values in the region.

We are impressed by your nation's success in maintaining a vigorous economy, even in a period of global recession. North Americans share your dedication to hard work, competition, and the creation of new wealth.

We, in the United States, respect and admire Colombia's strong commitment to democracy. Equally important, we respect Colombia's firm commitment to the rule of law as the guiding principle of international relations.

Our two countries, working together, can achieve a great deal for our hemisphere. This is what brings me to Colombia. I look forward to meeting many of you personally and seeing your beautiful country. I bring with me the best wishes of my own people to you, our neighbors to the south.

Broadcast on Colombian television (text from White House press release of Nov. 29, 1982.) ■

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tion is how can we help? I look forward to hearing your views this afternoon. But don't we already have a good beginning in the conclusions democratic states of the region reached in San Jose last October 4th? They called for all the states of Central America, on a basis of reciprocity and verification, to renounce the importation of heavy offensive weapons that could be used to attack a neighbor; to cause the withdrawal of all—and I repeat, all—foreign military advisers; to end support for terrorists and subversion against neighbors; to begin internal reconciliation enabling dissidents to participate again in public life within established institutions; to create democratic institutions and hold open public elections to decide who should exercise power. Of these, the last is the most significant. For we all know that democracies are far less likely than other regimes to abuse their own people and to make war on their neighbors.

What can we do to overcome the economic crisis in the Caribbean regime? Our nations are partners in the Caribbean Basin initiative, a bold attempt to address the underlying economic and social needs of our neighbors. It made a great impression in the United States when your country announced that it would join with Canada, Mexico, Venezuela, and the United States in this enterprise. It reassured us to see Colombia, long a pillar of the Andean community, extend its hand to Central America and the Caribbean. Through hard work, sound financial management, and a commitment to an open and competitive economy, Colombia is an example for others.

The United States has already increased its assistance to the Caribbean area, bringing it to nearly \$1 billion per year. But we must provide these small and promising countries an opportunity to earn their own way. That is the purpose of the one-way free trade proposal that I have made. This proposal is now under active consideration by our Congress, and I hope for early action.

In cooperating to help others, we should be careful not to neglect cooperation to benefit our own societies. Could we not do more to mobilize resources and encourage efforts by public-private institutions, universities, institutes,



(White House photo by Karl Schumacher)

President Belisario Betancur Cuartos greets President Reagan at Bogota's Eldorado Airport.

voluntary agencies, and businesses to increase their cooperation for development? Many scientific, educational, and other institutions in the United States and in Colombia have had close working relationships in the past. We must strengthen and renew such ties and promote new links to accelerate the pace and quality of research and development on the most pressing problems in this hemisphere.

The recession that we suffer from is global. It affects the advanced countries. Millions are out of work in my country—even greater numbers in Europe. But it is true that the recession has affected the developing countries most of all—not so much Colombia, which is fortunate to continue to grow—but your

neighbors. None of us can find our way back to prosperity without self-discipline at home. The example of Colombia shows how prosperity can be achieved by domestic savings and investment.

But prosperity will escape us if we permit those great engines of growth—world trade and world finance—to be impaired. And here again, we must act to make sure that the IMF has the funds necessary to finance needed stabilization programs. Early agreement must, and I am confident will, be reached on substantially expanded quotas.

The United States has also proposed that special arrangements to borrow be made to enable the fund to be sure to fulfill its mission. The individual countries that can do so should provide

bridging financing to countries needing time to work out effective stabilization programs. And private lenders must not withhold new funds from countries that do so. For lenders and borrowers each have a great stake in each other's success.

For the longer term, we must proceed with the replenishment of the IADB. We believe that an agreement is reachable on a replenishment that will permit continued high growth in the bank's activities. Equally important is to prevent an upsurge in protectionism in all our countries. We can only do this if we all do it together. That was the meaning of the GATT meeting in Geneva.

With unemployment in all our countries, the temptation is to use restrictions for export incentives to protect jobs. Experience shows that way is self-defeating and will lead only to less trade and less jobs. I am pledged to do all in my power to prevent arbitrary restrictions of trade.

Colombia has long been a powerful supporter of the inter-American system. With few exceptions, the system has kept the peace. As new nations of the Caribbean join the system and as other American countries like Colombia grow in economic weight and worldwide influence, our institutions will be infused with new life. Our own relations with each other reflect the maturity of our partnership. We do not agree on every issue, not even on the remedies of some of the problems we share. But we've established a dialogue based on mutual respect, our shared religious heritage, and our common legacy.

In the trade field we have vastly expanded to our mutual benefit the goods and services we exchange. Earlier, you had a trade surplus. Now, with the price of coffee low, we do. We both have legislation governing trade that we each are bound to respect. Within that framework, though, there is much we can do to assure mutual accommodation without imposing protectionist devices. I will work with you to find those opportunities.

Our cooperation in the area of narcotics control certainly reflects the same spirit. We recognize that the use and production of illegal drugs is a threat to

the social fabric of both countries. Progress that either of us makes will assist the other.

Colombia and the United States worked together to establish the fundamental principles of this hemisphere. I am here today to further the spirit of cooperation begun by President Roosevelt in 1934, and continued by President Kennedy in 1961. I come convinced that our cooperation for freedom and development is more vital than ever to progress and security in the Hemisphere.

You and I know what can be accomplished with the will to keep going until the job is done. We both come from working families, poorer than most in

material things, but rich in spirit and optimism. Those values taught us when we were young—God, family, and hard work—and this did well by us as individuals. And they will do well by our two countries. It is my deep conviction that the tide of history is with the Americas—and especially with countries, such as ours—which believe in the dignity of man and the freedom of the individual.

I propose a toast to you and to the people of Colombia. May the values that bind us, the friendships and dreams we share, be preserved by us, the people of the New World, as an eternal, sacred trust. [Applause]

President Reagan's Statement to the People of Costa Rica, December 3, 1982

I am happy to accept President Monge's invitation to see Costa Rica. I know your country has long been a model for peace, democracy, and economic progress in the Western Hemisphere.

Last month, President Monge spoke at the Conference on Free Elections in Washington about democracy. He made all of us who are committed to freedom very proud. Democracy, he said, has no universal formulas, like those of totalitarian philosophies. Its strength is that it allows free people to find their own solutions. As free people, we are not compelled to accept the one candidate offered to us by a small group claiming exclusive knowledge of the destiny for an entire nation. We, the voters—free citizens—make this decision.

Today, the countries of Central America face enormous challenges: economic recession, social injustice, and the cynical efforts of outside powers to impose nondemocratic systems of government on them. But I am confident we have the will and the ability to overcome these challenges.

The most promising formula for peace and security for the nations of Central America was proposed at the meeting of democratic nations in San Jose in early October. It offers terms for a peace that can be verified without fear of violation. It stresses the importance to peace of democratic institutions. I am convinced, as I believe most of you are, that democracies find it easier to live in peace with each other.

In facing the economic challenges, the countries of this hemisphere have begun a cooperative effort to address the pressing needs of the Caribbean Basin. Part of the United States' contribution to this effort—\$350 million in emergency economic assistance—is already in place. I am asking the Congress to give priority consideration to the other main features of our program—open access to our markets for the products of the Caribbean and Central America, and incentives for American investment in the region. I believe we all have a crucial stake in this venture. Democracy, and even our independence as free nations, are vulnerable to economic recession. By cooperating together, we can offer real hope for sustained growth to our peoples.

I have met with President Monge twice. From these meetings I know we share the conviction that it's through freedom and democracy that economic progress and social justice have their best chance to work. I look forward to visiting San Jose and to having the opportunity for further discussions with your President.

Text from White House press release. ■

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Visit to Latin America

COSTA RICA

U.S.-El Salvador Joint Communique

San Jose
Dec. 3, 1982¹¹

On December 3, 1982 in the City of San Jose, Costa Rica, the Presidents of El Salvador, Dr. Alvaro Magaña, and of the United States of America, Mr. Ronald Reagan, met and had a cordial exchange of views about subjects of mutual interest.

President Reagan praised the bravery of the Salvadoran people and their belief in democratic ideals as manifested in the recent elections and in the Salvadoran decision to hold Presidential elections no later than March 1984. He expressed appreciation for efforts of the Salvadoran Government to reduce the number of deaths caused by violence, despite the opposition of anti-democratic forces. He also indicated his satisfaction with the continuation of the land reform program.

The Salvadoran leader pointed out the desire of his government for peaceful development and full observation of human rights. He noted the creation of the Commission on Human Rights and the formation of a peace commission charged with proposing a practical plan for the participation of all citizens and political movements in the democratic process.

President Magaña suggested that as important as the efforts that each country makes internally to correct its structural economic problems is an international economic situation which encourages full development of that country's human and natural resources. In this regard, he praised the U.S. Caribbean Basin initiative and expressed the hope that the trade and investment provisions would be approved quickly by the U.S. Congress.

President Reagan referred to the interest of the American people and government in cooperating with the Salvadoran Government in its internal efforts. He stressed his concern about the prosecution of those implicated in the murder of American citizens in El Salvador and asked for unstinting efforts to prosecute those responsible for the deaths of the American churchwomen and the AFL-CIO consultants and the disappearance of other American citizens.

Both leaders also examined the situation in Central America and expressed concern for the increase of tensions in the area. They



(White House photo by Michael Evans)

Having been greeted by President Alberto Luis Monge at San Jose's Juan Santamaria International Airport, President Reagan proceeds to Hotel Cariani where he holds a bilateral meeting with El Salvador's President Alvaro Magana. After the meeting, they issue a joint communique.

rejected the use of force in the resolution of bilateral conflicts, interference in the internal affairs of other countries, and the violent imposition of alien ideologies and systems rejected by democratic societies. President Magaña emphasized the need for all countries to reject the principle of self-determination as exercised by the Salvadoran people in the elections of March 28. He noted that this principle is fundamental to the peaceful co-existence of peoples. Both leaders reaffirmed their commitment to the principles of the final act of the October 4 San Jose conference of democratic nations—principles which, in their opinion, represent the best hope for peace in Central America.

The two leaders agreed to maintain direct contact in order to further high levels of bilateral cooperation.

Given in San Jose, Costa Rica, December 3, 1982.

President Reagan's Remarks

San Jose
Dec. 4, 1982¹²

Mr. President, and you ladies and gentlemen, I thank you for your gracious welcome. From the school children who greeted me at the airport last night to you distinguished leaders gathered in this beautiful hall, the people of Costa Rica have extended to our party openhearted and generous hospitality. I know you're world-famous for this, but I feel so very much at home here. I hope that ours is a special bond.

I'm especially grateful for the opportunity to renew the personal dialogue with President [President Luis Alberto] Monge, a distinguished statesman committed to the democratic ideals I share. Americans and Costa Ricans—we are all of the New World. Our people live the peaceful revolution of democracy—secure under the rule of law and prospering through economic freedom. But there are outsiders who would exploit our rich, new world by undermining the democratic systems that make us free.

We, of this hemisphere, must stand together so that we can continue to improve the quality of life for our people. We must be strong enough, our people prosperous enough, and our democracy stable enough to remain independent, at peace, and free.

There are many who speak of democracy and pluralism and of their respect for the rule of law. But as a Costa Rican President of the last century, Jose Joaquin Rodriguez said, "I am not impressed by hearing proclamations of great principles. What I admire is the men who know how to put them into practice."

Costa Rica is a proud example of a free people practicing the principles of democracy. And you have done so in good times and in bad, when it was easier and when it required great courage. Your commitment to freedom was evident last February when, as every 4 years, you elected a new government. In October, you led the region's democracies toward recognition of principles for a lasting, humane peace in Central America. And just last month,

President Monge spoke eloquently in Washington about democracy and of the commitment of all democratic nations of the region to an elections institute, an advisory body to assist other countries in developing the practice of democracy and which will be a specialized branch of the Inter-American Institute of Human Rights in San Jose.

Costa Rica's foundation of democracy and law, as President Monge said in Washington, is your guarantee of peace. He put it this way: "Violence, war and guerrillas lose their support when the people enjoy free elections and when their vote is respected." James Fenimore Cooper, an American writer of our frontier, said much the same when he suggested that "the man who can right himself by a vote will seldom resort to a musket."

President Monge and I have met three times this year, and I've learned from him and from the record of this country the depth of Costa Rica's dedication to the founding principles of Western civilization. And I've learned of the significant progress toward democracy elsewhere in Central America. Today, Central America faces renewed challenges to its self-determination as agents of unrest seek to impose new forms of the imperialism and tyranny that we threw off so many years ago. These counterfeit revolutions also threaten the prosperity that is the legacy of peace in this beautiful land. The future challenges our imagination, but the roots and law and democracy and our inter-American system provide the answers we seek.

In your efforts to bring new opportunity, stability, and peace to the region, the Costa Rican people can be very sure you will have the steadfast support of the people of the United States. The only real root to peace, to lasting peace, is the well-chartered course of Costa Rica—commitment to democracy, rejection of extremism and the force of arms, and respect for human rights and the rule of law. It also includes reliance on international law such as the Rio treaty, essential to your national defense and fundamental to our common security.

Our new bilateral extradition treaty is indicative of our joint commitment to the rule of law. What we strive for is a hemisphere where the future is determined not by bullets but by ballots, a



Presidents Reagan and Monge shake hands following the signing of the U.S.-Costa Rican Extradition Treaty at the National Theater.

hemisphere of countries at peace with themselves and one another and at peace with the world. The peace we've known has been a precious asset for the Americas.

Instead of allocating a great share of their resources on military spending, the developing countries of this hemisphere have invested in the future. This has been no accident. From the Pan American Union to the treaty of Rio de Janeiro and the Organization of American States, this hemisphere has been on the forefront of multilateral, international cooperation. No region of the world can match our record. These are

not mere words. We have and will continue to practice what we proclaim. The United States will continue to support the new democratic institutions in Honduras and the developing democratic processes of El Salvador. Any nation destabilizing its neighbors by protecting guerrillas and exporting violence should forfeit close and fruitful relations with the people of the United States of America and with any people who truly love peace and freedom.

The October 4 meeting of democratic nations here in San Jose showed us anew the way toward peace and stability. We applaud the Costa Rican Government for that initiative and

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for its continued leadership in this regional democratic effort. We join you willingly. Democratic states have a unique role in the moral history of the world because our governments are accountable to the governed and are less likely to abuse their own citizens or to attack their neighbors.

The principles of the San Jose final Act provide a reciprocal, just, and verifiable basis for peace. I call on all states in this region to join in this process of genuine, peaceful reconciliation. In that same spirit, we must also work together to solve the serious economic problems jeopardizing social, political progress.

Central America recorded impressive economic growth in the 1960s and during much of the 1970s. This was particularly true in Costa Rica where hard work and neighborly cooperation in the Central American common market paid major dividends. Now those gains are threatened here in Costa Rica and, indeed, throughout the hemisphere. In order to overcome recession, we must lay the foundations in each of our national economies for noninflationary, sustained growth. To do this we will need the kind of commitment and determination Costa Rica is showing. Self-discipline is necessary, too. So, too, is mutual accommodation. Borrowers must move to restrict their deficits, but it is just as important that lenders not withhold new funds from countries which adopt effective stabilization plans. Lenders and borrowers must remember that each has an enormous stake in the other's success.

Similarly, the integrity of the world trading system must be preserved, so it can serve once again as the great engine of growth. Closed markets must be carefully opened. Open markets must be shielded from protectionism. Our challenge is to make our trading and financial relationships remain a source of prosperity and strength and not become a source of discord and disagreement. The debt problems facing many nations today are imposing, and we must act together to insure that we have the tools to deal with them. The resources of the IMF are one of the most important of these tools. To assure the adequacy of the IMF resources, the United States has proposed that in addition to an increase in the IMF quotas there should

also be a special borrowing arrangement to meet the demands that may be placed on the IMF where countries need assistance as they seek IMF funding. Those able to do so must act to provide bridging funds.

With regard to the Caribbean area, the U.S. Congress already has approved the first stage of our strengthened commitment to economic recovery, a supplement to our vigorous economic assistance effort in the Caribbean Basin, bringing to nearly \$1 billion the total aid for fiscal year 1982. Our request to the Congress for future aid to the region will also reflect this new high priority. But the other elements of the program are even more crucial. Investment incentives and duty-free access for most of your products will encourage increased production and stimulate more jobs.

This Caribbean initiative is not a charity program. We will grow and prosper together to the direct benefit of the workers and enterprises in both of our countries. As I speak here, our Congress has reconvened in Washington, and the trade and investment portions of the initiative are high on their agenda. From the heart of Costa Rica's remarkable democracy, I appeal directly to the legislative leaders of my country to act quickly and responsibly on this most important legislation. Together, we can attack the social and economic injustices which lead to dissatisfaction and support for radical solutions. And, just as Colombia has already joined the original Nassau four, I call on other developed countries—all of them—to contribute to our efforts.

Earlier this year in Washington, there was an exhibit of pre-Columbian art from Costa Rica. The title of the show was, "Between Continents—Between Seas." This was fitting. But Costa Rica and Central America, as a whole, are now caught between something else—a struggle of ideas between the violence of false revolutionaries and the reaction of false conservatives. You will always be between continents and seas. But to live peacefully and democratically will require the continued courage and commitment of all the Americas.

I am confident that, together, we will achieve in practice the goals that we have together proclaimed—a Central America where not just some, but all countries are democracies—where institutions are based on free and regular elections in an atmosphere of political reconciliation within each state; a Central America returned to the path of substantial economic and social development; a Central America at peace with itself and the world; a halt to foreign support for terrorist and subversive elements working toward the violent overthrow of other governments; an end to arms trafficking, the importation of heavy weapons, and the buildup of armaments and forces beyond that required for legitimate defense—and under fully verifiable and reciprocal conditions, the withdrawal of all—I repeat, all—foreign military and security advisers and troops from Central America. In sum, a Central America that lives by the principle of nonintervention, where disputes are settled peacefully, and where respect for human rights and the fundamental freedoms of speech, assembly, and religion are as alive and well as they are in the Republic of Costa Rica.

My government will give you and your neighbors the full support of the United States. Our commitment to the Rio treaty and to the principle of collective security will remain a basic tenet of our policy. Together, we will work toward the economic growth and opportunity that can only be achieved by free men and women. We will promote the democracy that is the foundation of our freedom and stand together to assure the security of our peoples, their governments, and our way of life. In this way, the land between the continents and between the seas will achieve the vision of another President of Costa Rica. Juan Mora dreamed that this land be "content in peace . . . and its children cut one more ear of corn each day, and cry one tear less."

Thank you very much and *Dios les bendiga and Dios bendiga a Costa Rica.* [Applause] God bless you, and God bless Costa Rica.

President Reagan's Radio Address to the Nation

San Jose
Dec. 4, 1982¹³

I am speaking to you today from San Jose, Costa Rica. Later this evening, I will return to Washington having visited with six neighboring heads of state. Our delegation has seen, firsthand, the vitality and potential of our New World neighbors. We have also heard and discussed their needs and aspirations and how they affect our own vital national interests.

U.S. interests require that we support our fellow Americans with a hemispheric policy which:

- Preserves and promotes democratic institutions;
- Advances and encourages free market economies; and
- Provides the security essential for these systems to develop and flourish.

In our discussions during these last 4 days, I pledge our continued commitment to work as friends and neighbors with the other nations of this Western Hemisphere. We will stand firmly with them to achieve the promise of economic progress and political stability that is the legacy of peace in the Americas.

Through cooperation, together we can protect ourselves from counterfeit revolutionaries who seek to destroy growth and impose totalitarianism on people who love freedom. Let us remember something very important: If our neighbors, particularly our nearest neighbors in the Caribbean Basin, are in trouble—then their troubles inevitably become ours, unless we work together to solve them.

Right now, their difficulties are not entirely of their own making. World prices for their traditional products—sugar, bananas, bauxite, and coffee—have been declining sharply for several years. At the same time, the prices for their essential imports, particularly petroleum, have remained high. This worldwide recession, the longest and most severe in postwar history, has hit

their economies with all the fury of the tropical storms they are exposed to each year.

We cannot afford to ignore these difficulties. Our ties with the countries of the Caribbean Basin are very close. One-half of our trade passes through this area. Prolonged social and economic disruption would cause an exodus of desperate people seeking refuge where so many others have already found it—in the United States. The interests of Caribbean Basin countries are our interests; their security is our security.

The difficulties in the Caribbean Basin may seem overwhelming, but just as tropical storms give way to sunshine and calmer seas, economic despair will give way to optimism if people have the prospect to build a better life in freedom. Our support for democratic institutions is already helping. U.S. assistance to help these countries defend themselves from outside-supported subversion is likewise showing signs of progress. Our Caribbean Basin initiative, designed to provide economic opportunity by stimulating investment and trade, offers the hope of economic progress which anchors democracy and freedom.

In September, the U.S. Congress approved funds for emergency balance-of-payments assistance as the first step in this initiative. I also attach great importance to the 1983 fiscal year package of foreign assistance.

But our goal is not a temporary boost from foreign aid. Our goal is to help our neighbors strengthen democratic institutions and free economies that stand on their own. We need long-term incentives to expand production and create new jobs. The trade and investment portions of our Caribbean Basin initiative legislation are designed to accomplish this.

I have proposed that we offer our neighbors the opportunity to trade with us freely, by eliminating trade barriers for most products for 12 years, and by providing tax incentives for U.S. investment in their economies. With our markets beckoning, the inducement to expand existing enterprises and invest in new ventures will increase. This will create growth and jobs, both for Caribbean countries and for the United

States. Trade is the path to new progress for everyone. All developing countries, including ours, succeeded by expanded free enterprise at home and by increasing their trade with other countries.

By helping them, we help ourselves. As their economies grow, we will have new markets for our exports. The faster their standards of living rise, the more jobs will be created in the United States. The impact on our own domestic industries of more goods coming from the Caribbean will be minimal, since the quantity of imports from these small countries will not be great. Moreover, our industries and our jobs will have safeguards to protect them from disruption.

Since taking office, I have held numerous discussions with Caribbean Basin leaders. They have assured me that their Caribbean Basin initiative will provide more fuel for their private economies to be engines for lasting growth. They, too, have faith that private enterprise can flourish with the magic of the marketplace. This initiative, I am pleased to say, is only part of a wider undertaking in the Caribbean Basin. Canada, Colombia, Mexico, and Venezuela have joined us with impressive initiatives of their own. I am asking the Congress only that we in the United States do our part by doing what we can do best—create economic opportunity.

The leaders of the Congress have promised to give the Caribbean Basin initiative urgent consideration during the current session. The initiative has already received substantial bipartisan support. I urge all members of the Congress to look carefully at the benefits which the Caribbean Basin initiative will bring to our neighbors, and to us. Final passage this year is top priority.

I will be leaving tonight to return to Washington. I cannot close without saying how impressed I have been with the leaders I have met here in the nations of South and Central America and the people. I believe we have created bonds which will serve to bring the nations and peoples of the Americas into a closer accord. These two great continents joined by the countries of Central America can be the hope of the world.

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Visit to Latin America

President Reagan's Luncheon Toast

San Jose
Dec. 4, 1982¹⁴

First, on behalf of those who are with me today from our country, let me thank you and the people of Costa Rica for your hospitality.

Last month in Washington President Monge warned against the arrogance of any leader who believes that his own political formulation is perfect. And as our fellow citizens often let us know, none of us is perfect. But the basic value of the democratic societies that we represent are far more perfect than those of any other form of government. Our dedication to freedom, a respect for human rights, our adherence to the rule of law are far superior to the totalitarian rule that others would impose in the name of the false revolutions. Theirs are hollow promises and empty rhetoric.

We celebrate, today, our commitment to freedom and to peaceful political reconciliation. I particularly want to reaffirm to all of you the pledge my Administration has made to the economic well-being and security of the peoples of Central America and the Caribbean. We know that political principles and collective security are not served by unstable economies.

Our Caribbean Basin initiative offers a realistic foundation on which to build increased trade between our countries—trade that will benefit all our citizens.

This evening I am returning to Washington where I still continue to press for quick congressional action on the important trade and investment provisions of the initiative.

In that spirit of mutual commitment may we rise now in a toast to President Monge, to Costa Rica, and to liberty.



(White House photo by Karl H. Schumacher)

The President is met by Honduran President Roberto Suazo at San Pedro Sula Airport, Armando Escalon Air Force Base.

HONDURAS

President Reagan's Remarks

San Pedro Sula
Dec. 4, 1982¹⁵

President Suazo and I have just completed a very useful exchange of ideas on the full range of bilateral issues and regional problems that confront our two democracies. In this, our second meeting

this year, we have continued the close consultation that we began in Washington last July. This has given our dialogue continuity and enabled us to analyze these problems in greater detail.

I have expressed my Administration's support and my nation's admiration for President Suazo's efforts to insure, for the Honduran people, the benefits of a democratic government elected on the principles of the rule of law. President Suazo has made it clear to me that there will be no retreat from that noble principle.

We are in agreement that we must work together to oppose those who seek to disrupt the promise of economic progress and political stability that is the legacy of peace in the Americas. My Administration is convinced that through cooperation and solidarity, our governments can protect our democratic institutions and free-market economic systems from the counterfeit revolutionaries, who seek to destroy growth and impose totalitarianism on free people.

We will cooperate in every way we can with Honduras and the other democratic governments of Central America to further our common objectives.

It's a pleasure to be here, and our only regret is that it has to be such a very short visit. But, again, we're grateful to the President, the people of Honduras for giving us this opportunity to visit with them. [Applause]

President Reagan's Statement to the People of Honduras, December 4, 1982

President [Roberto] Suazo has been gracious in inviting me to visit your country, and I am anxiously looking forward to it. Early this summer, we were honored to have your President visit Washington, and I am happy we have this early opportunity to continue our talks.

He told me then of the pride of the Honduran people in their democratic achievement, of their desire for peace with their neighbors, and of the measures you are taking to revive your economy. These are all goals we share with you. Both of our countries are concerned by the economic problems and the threat to peace the countries in Central America face.

Honduras has been a leader in Central America. You have put forward concrete proposals for a comprehensive peace throughout your region. Your transition to democracy answered those who argue that freedom is a luxury that struggling countries cannot afford. And you have proved that a freely elected government has the will and determination to take the actions needed to put your economy on a sound course.

The Honduran people have won the admiration of my fellow countrymen, and the peace proposals your President presented to the OAS last March are ones which we, in the United States, support fully. They were incorporated in the final act of the eight democratic countries that met in San Jose in October. They are reasonable and attainable for all parties, and I hope they will lead to peace in Central America.

Honduras has also played a prominent role in the Central American democratic community which is dedicated to freedom, economic development, and the security of each nation against aggression in any form by one neighbor against another. These are goals which can be achieved, and it is with this hope that I will come to Honduras to meet with President Suazo. We have common aspirations and values. I am sure we will be able to strengthen the cooperation between our two nations and our people. I will bring with me the best wishes and friendship of the American people.

Text from White House press release. ■

President Reagan's Remarks Following Meeting With Guatemalan President Jose Rios Montt

San Pedro Sula
Dec. 4, 1982¹⁶

President Rios Montt and I have just had a useful exchange of ideas on the problems of the region and on our bilateral relations.

Our conversation today has done much to improve the climate of relations between our two governments. I know

that President Rios Montt is a man of great personal integrity and commitment. His country is confronting a brutal challenge from guerrillas armed and supported by others outside Guatemala.

I have assured the President that the United States is committed to supporting his efforts to restore democracy and to address the root causes of this violent insurgency. I know he wants to improve the quality of life for all Guatemalans and to promote social justice. My Administration will do all it can to support his progressive efforts.

We have heard a great presentation, and as I said on the first day of my visit far south of here in Brasilia, people from my country—government officials of my country in the past have come to South

and Central America to various countries proposing plans and ideas on their own. I know they were sincere, and, yet, I think there was a certain insensitivity connected with what they were doing. I said, from the first day, and until this, our last stop on this visit, that we came here to ask, not tell. We have come here to find out and to learn what we can about the possible differences between us and the possible answers to those differences. We know a great deal about the problems confronting Guatemala. We're going home and do our best to see if we can't be helpful now in finding some answers to the problems.

Secretary Shultz's Press Briefing

San Pedro Sula
Dec. 4, 1982¹⁷

President Reagan's trip to South America and Central America, now concluded, is part of the diplomacy of the New World. He has been to Canada, met with Prime Minister Trudeau some seven times. He has met several times with the just outgoing President of Mexico and recently with the incoming and has addressed the OAS. And this is part of that unfolding process.



(White House photo by Bill Fitz-Patrick)

While in Honduras, President Reagan holds a bilateral meeting with Guatemalan President Jose Rios Montt.

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The trip has been marked throughout by, on the one hand, close and cordial personal relationships between the President and his counterparts from start to finish and a considerable amount and, of course, a wide variety of substantive discussions at each stop. The overall themes have remained as we envisaged them to begin with.

First, is the emphasis on democracy in our hemisphere. If you think of it, coming down from Canada on through to the tip of South America, by now some 90% of the people live under conditions where elected governments, in one way or another, are their governments. The first point that we have emphasized and talked about and sought to dramatize is the importance of democracy in our hemisphere.

Second, is the importance of peace and stability. It's self-important but also is an essential condition for economic development. Questions having to do with trade and aid and incentives of one kind or another have to fit into the pattern of the creation of stable conditions. Of course, that problem is much more prominent and upfront here in Central America than it has been in the other two stops.

Q. Earlier today General Rios Montt issued a statement talking about a process that would supposedly lead to free elections in Guatemala. Did this issue—was this issue discussed with the President? And what was said about it? And is there any kind of a timetable for those elections?

A. The situation in Guatemala was described to us by President Rios Montt in a lot of detail with maps and information. He left us with some booklets. With regard to the election, he said that there would be the establishment of a constitutional convention or assembly, and that March 23d would be the date on which that would be identified—precisely what that meant, I am not too sure. At any rate, presumably, on March 23d, some significant step toward a constitutional assembly will be taken. But that is really a question that you should ask him, not me.

Q. Will the United States resume military sales to Guatemala?

A. That is a question that remains to be decided. Of course, it is worth noting that the Congress in the Caribbean Basin initiative did include \$10 million for Guatemala. Basically, the discussion that we had with President Rios Montt was one that started with the invitation from President Reagan as he has described here just a moment ago to listen. With that invitation, President Rios Montt did a lot of describing the situation—including the more proper way of putting this March 23d thing—the publication of the law—is what is looked for at that point.

Q. Are you, or is Secretary Regan, going to follow up this trip with statements to financial institutions about your confidence in the area?

A. Of course, as far as financial matters are concerned. On the one hand, there is one program of assistance that is being debated and voted on in the Congress right now, and that will determine to a certain extent the parameters of what we could do in that regard. That will, also, affect things like the World Bank—and in the context of South America—the IADB, which is very much on everyone's mind. As far as private creditors are concerned, they make their own decisions. The bridging loan was announced with Brazil, and that is designed to, on the one hand, help Brazil and, on the other, to be an expression of confidence and support that we have in the Brazilian economy.

Q. President Suazo, in his statement, referred to a peace initiative. Is that the warning of his initiative with Nicaragua? Did he give the President a report on the status of any talks that he has undertaken with Nicaragua to ease the border dispute?

A. The peace initiative he referred to, I believe, was the six-point program

that became part of the San Jose conference calling for various actions which you are familiar with.

Q. I just want to know if you could confirm or deny whether the United States is providing training for anti-Sandinista Nicaraguans from Honduras?

A. The United States is not in Nicaragua in any training capacity. There are people in Nicaragua apparently who don't like what is going on there, but that is not anything that we are training them for.

¹Other documentation for this trip can be found in the Weekly Compilations of Presidential Documents of Dec. 6 and 13, and press releases 364, 365, and 367.

²Text from White House press release.

³Made upon arrival at Brasilia International Airport (text from White House press release).

⁴From Brasil: *Journal do Brasil* and *O Estado de Sao Paulo*; from Colombia: *El Espectador*, *El Mundo*, and *El Colombiano*; from Honduras: *La Prensa*; and from Costa Rica: *La Nacion* (text from White House press release).

⁵Made at the Hotel Nacional (press release 361 of Dec. 3, 1982).

⁶Made at the Palacio do Itamaraty (text from White House press release).

⁷Made at the Governor's Palace (text from White House press release).

⁸Text from White House press release.

⁹Made aboard Air Force One enroute Bogota, Colombia (press release 363 of Dec. 6, 1982).

¹⁰Made at Casa de Narino (text from White House press release).

¹¹Issued following bilateral meeting with El Salvador's President Alvaro Magana.

¹²Made at the National Theater (text from White House press release).

¹³Made at Casa Presidencial (text from White House press release).

¹⁴Made at Casa Presidencial (text from White House press release).

¹⁵Made following a bilateral meeting with Honduran President Roberto Suazo (text from White House press release).

¹⁶Made at La Mesa International Airport (text from White House press release).

¹⁷Made at La Mesa International Airport (press release 366 of Dec. 7, 1982). ■

East-West Trade Relations and the Soviet Pipeline Sanctions

President Reagan's radio address to the nation on November 13, 1982.¹

During the campaign 2 years ago, I spoke of the need for the United States to restore the balance in our relationship with the Soviet Union. For too many years we had stood still while the Soviets increased their military strength and expanded their influence from Afghanistan to Ethiopia and beyond. I expressed a belief, which you seemed to share, that it was time for the United States to chart a new course. Since then, we've embarked upon a building of our defense forces in order to strengthen our security and, in turn, to strengthen the prospects for peace. We still have a long way to go. But the fact that we've started on a new course has enabled us to propose the most comprehensive set of proposals for arms reduction and control in more than a quarter of a century. It's always been my belief that if the Soviets knew we were serious about maintaining our security, they might be more willing to negotiate seriously at the bargaining table.

In the near future, I will be speaking to you in more detail about this matter of arms control and, more importantly, arms reductions. But right now I have something in the nature of news I'd like to bring you.

The balance between the United States and the Soviet Union cannot be measured in weapons and bombers alone. To a large degree, the strength of each nation is also based on economic strength. Unfortunately, the West's economic relations with the U.S.S.R. have not always served the national security goals of the alliance.

The Soviet Union faces serious economic problems. But we—and I mean all of the nations of the free world—have helped the Soviets avoid some hard economic choices by providing preferential terms of trade, by allowing them to acquire militarily relevant technology, and by providing them a market for their energy resources,

even though this creates an excessive dependence on them. By giving such preferential treatment, we've added to our own problems—creating a situation where we have to spend more money on our defense to keep up with Soviet capabilities which we helped create.

Since taking office, I have emphasized to our allies the importance of our economic as well as our political relationship with the Soviet Union. In July of 1981 at the economic summit meeting in Ottawa, Canada, I expressed to the heads of state of the other major Western countries and Japan my belief that we could not continue conducting business as we had. I suggested that we forge a new set of rules for economic relations with the Soviet Union which would put our security concerns foremost. I wasn't successful at that time in getting agreement on a common policy.

Then, in December of 1981, the Polish Government, at Soviet instigation, imposed martial law on the Polish people and outlawed the Solidarity union. This action showed graphically that our hopes for moderation in Soviet behavior were not likely to be fulfilled.

In response to that action, I imposed an embargo on selected oil and gas equipment to demonstrate our strong opposition to such actions and to penalize this sector of the Soviet economy which relies heavily on high technology, much of it from the United States. In June of this year I extended our embargo to include not only U.S. companies and their products but subsidiaries of U.S. companies abroad and on foreign licensees of U.S. companies.

It's no secret that our allies don't agree with this action. We stepped up our consultations with them in an effort to forge an enduring, realistic, and security-minded economic policy toward the Soviet Union. These consultations have gone on over a period of months.

I'm pleased today to announce that the industrialized democracies have this morning reached substantial agreement on a plan of action. The understanding we've reached demonstrates that the Western alliance is fundamentally united and intends to give consideration to

strategic issues when making decisions on trade with the U.S.S.R.

As a result, we have agreed not to engage in trade arrangements which contribute to the military or strategic advantage of the U.S.S.R. or serve to aid preferentially the heavily militarized Soviet economy. In putting these principles into practice, we will give priority attention to trade in high technology products, including those used in oil and gas production. We will also undertake an urgent study of Western energy alternatives, as well as the question of dependence on energy imports from the Soviet Union.

In addition, we've agreed on the following immediate actions.

First, each partner has affirmed that no new contracts for the purchase of Soviet natural gas will be signed or approved during the course of our study of alternative Western sources of energy.

Second, we and our partners will strengthen controls on the transfer of strategic items to the Soviet Union.

Third, we will establish without delay procedures for monitoring financial relations with the Soviet Union and will work to harmonize our export credit policies.

The understanding we and our partners have reached and the actions we are taking reflect our mutual determination to overcome differences and strengthen our cohesion. I believe this new agreement is a victory for all the allies. It puts in place a much needed policy in the economic area to complement our policies in the security area.

As I mentioned a moment ago, the United States imposed sanctions against the Soviet Union in order to demonstrate that their policies of oppression would entail substantial costs. Now that we've achieved an agreement with our allies which provides for stronger and more effective measures, there is no further need for these sanctions, and I am lifting them today.

The process of restoring a proper balance in relations with the Soviet Union is not ended. It will take time to

make up for the losses incurred in past years. But acting together, we and our allies are making major progress. And I'm happy to say the prospects for peace are brighter.

I have just returned to the White House from the Soviet Embassy, where I signed the book of condolence for President Brezhnev. New leaders are

coming to power in the Soviet Union. If they act in a responsible fashion, they will meet a ready and positive response in the West.

¹Text from Weekly Compilation of Presidential Documents of Nov. 22, 1982, which also carries an informal question-and-answer session with reporters following the address. ■

International Free Trade

President Reagan's radio address to the nation broadcast from Camp David, Maryland, on November 20, 1982.¹

I've talked to you on a number of occasions about the economic problems and opportunities our nation faces. Well, as you've probably heard on news reports, America's problems are not unique.

Other nations face very severe economic difficulties. In fact, both developed and developing countries alike have been in the grip of the longest worldwide recession in postwar history. And that's bad news for all of us. When other countries don't grow, they buy less from us, and we see fewer jobs created at home. When we don't grow, we buy less from them, which weakens their economies and, of course, their ability to buy from us. It's a vicious cycle.

You can understand the danger of worldwide recession when you realize how much is at stake. Exports account for over 5 million jobs in the United States. Two out of every 5 acres planted by American farmers produce crops for exports. But because of their recessions, other countries are buying fewer American farm products than last year. Our farmers are hurting—and they're just one group.

So we are trying to turn this situation around. We're reminding the world that, yes, we all have serious problems. But our economic system—based on individual freedom, private initiative, and free trade—has produced more human progress than any other in history. It is in all of our interests to preserve it, protect it, and strengthen it.

We are reminding our trading partners that preserving individual freedom and restoring prosperity also requires

free and fair trade in the marketplace. The United States took the lead after World War II in creating an international trading and financial system that limited government's ability to disrupt free trade across borders. We did this because history had taught us an important lesson: Free trade serves the cause of economic progress, and it serves the cause of world peace.

When governments get too involved in trade, economic costs increase and political disputes multiply. Peace is threatened. In the 1930s, the world experienced an ugly specter—protectionism and trade wars and, eventually, real wars and unprecedented suffering and loss of life.

There are some who seem to believe that we should run up the American flag in defense of our markets. They would embrace protectionism again and insulate our markets from world competition. The last time the United States tried that, there was enormous economic distress in the world. World trade fell by 60% and young Americans soon followed the American flag into World War II.

I'm old enough and, hopefully, wise enough not to forget the lessons of those unhappy years. The world must never live through such a nightmare again. We're in the same boat with our trading partners. If one partner shoots a hole in the boat, does it make sense for the other one to shoot another hole in the boat? Some say, yes, and call that getting tough. Well, I call it stupid. We shouldn't be shooting holes; we should

be working together to plug them up. We must strengthen the boat of free markets and fair trade so it can lead the world to economic recovery and greater political stability.

And here's how we're working to do that: We insist on sound domestic policies at home that bring down inflation, and we look to others for no less in their own economies. The International Monetary Fund—the institution that deals with world financial issues—seeks to encourage its member countries to follow sound domestic policies and avoid government restrictions on international trade and investment to foster economic development and raise their people's standard of living.

We remind other countries that as the United States helps to lead the world out of this recession, they will benefit as we buy more goods from them. This will enable them to grow and buy more goods from us. And that will mean more jobs all around. That is the way of free markets and free trade. We must resist protectionism because it can only lead to fewer jobs for them and fewer jobs for us.

In just 4 days, the trade ministers of virtually all the free world countries will meet in Geneva, Switzerland. They will seek ways to surmount challenges to the integrity of our international economic system. We were instrumental in convening this international meeting because we believe strongly that our trading system is at a crossroads. Either free world countries go forward and sustain the drive toward more open markets or they risk sliding back toward the mistakes of the 1930s and succumbing to the evils of more and more government intervention. And this is really no choice at all.

The United States will reject protectionist and defeatist proposals. Instead, we will set new goals and lay out a program for limiting government intervention in world markets. We will lead with a clear sense of our own commercial interests and a quiet determination to defend these interests. We will take actions at home and abroad which enhance the ability of U.S. industries to compete in international trade.

Let no one misunderstand us. We're generous and farsighted in our goals, and we intend to use our full power to achieve these goals. We seek to plug the holes in the boat of free markets and free trade and get it moving again in the direction of prosperity. And no one should mistake our determination to use our full power and influence to prevent others from destroying the boat and sinking us all.

That's how the United States is working in the world on behalf of freedom, economic prosperity, and peace.

¹Text from Weekly Compilation of Presidential Documents of Nov. 29, 1982. ■

News Conference of November 11 (Excerpts)

Before taking your questions, I want to share with you just briefly my reflections on the important events that we've witnessed today.

From Moscow, we've learned of the death of President Brezhnev, a man who played a major role in world affairs for more than two decades. Here in the White House, I met with Phil Habib [Ambassador Philip C. Habib, Special Representative for the Middle East] about our plans to help bring peace to the Middle East, where the opportunity for progress has been fundamentally improved by recent developments in that region. And also today, the space shuttle was successfully launched. Once again, we will expand mankind's opportunities for enriching the human experience through peaceful exploration of the universe.

Those events could have a critical impact on our future—future we face with confidence and resolve. If there is a lesson for us, it is that we, as a free people, must always be prepared for change, so that when it comes we're ready to meet new challenges and opportunities. Our system of government is unique and best able to adapt to change and move forward without disruption or break in continuity of purpose.

I want to underscore my intention to continue working to improve our relationship with the Soviet Union. Our two nations bear a tremendous responsibility for peace in a dangerous time—a responsibility that we don't take lightly. Earlier this year, we put forth serious and far-reaching proposals to reduce the levels of nuclear and conventional forces. I want to reconfirm that we will continue to pursue every avenue for progress in this effort. But we shouldn't delude ourselves. Peace is a product of strength, not of weakness—of facing reality and not believing in false hopes.

Today we honor American veterans—men and women who, by their courage and dedication, protected our freedom and independence. In the wake of events in the Soviet Union, we remain hopeful for a better relation. Conscious of our national interest and determined to remain a free people, I can think of no better day than Veterans Day to rededicate ourselves to peace and to do things necessary to maintain the peace and to preserve our freedom.

Q. Who will be leading the U.S. delegation to Leonid Brezhnev's funeral? If you won't be going, how come? And also aside from your personal hopes for peace, do you have reason to believe that the next coming months might see the new Soviet leadership flexing its muscle a bit and a period of increased tension coming about?

A. Answering the last part first, no, I don't anticipate that as they make this transition. We certainly can hope that there won't be anything of the kind.

But with regard to the service, we've had no direct, official word yet on anything, although we are in communication directly with them. It was just a plain case of looking at schedules and my own schedule calling for visits here by a head of state next week, and it was felt that it would be better for George [Vice President Bush] to head that delegation. But it will be an appropriate and a very distinguished delegation.

Q. It will be the Vice President then who will be heading the delegation?

A. This is what we're considering now. No final decisions have been made, because, as I say, we're waiting to hear some word about the services.

Q. If there is a period of tension, how would you respond?

A. We've had periods of tension before. And I think you just—you can't

guess that in advance or what the answer would be, except that I think we must remember that our goal is and will remain a search for peace, and we would try to find the best way to achieve that. And, incidentally, I believe that we can continue that search without my attendance at the services.

Q. The Polish Government announced that they're about to free Lech Walesa. And as you've mentioned, Mr. Brezhnev is dead, and a new Soviet leadership is coming into power. Is there any thought in your mind that this would be a good time for you to take some big step, even a symbolic step that would lead to the lessening of tensions between East and West? And are you thinking of taking any initiatives that would give the world a signal that you would like that to come about?

A. We have been trying to do that in the area of quiet diplomacy, tried in the summit conference, tried in the NATO conference, of various things. We are prepared and ready—and they know that—about trying to have a better relation. But it's going to require some action, not just words. For 10 years détente was based on words from them and not any deeds to back those words up. We need some action that they—it takes two to tango—that they want to tango, also.

Q. But are you willing to take the first step at this stage, at this juncture?

A. There are some people who have said I took the first step with lifting the grain embargo. Have we gotten anything for it.

Q. A number of Republicans, not just those who want to return to policies of the past, have suggested that in the spending cuts that are necessary in this next budget, that it would be good if the Pentagon also participated in this. And some have even said that in the long run the defense budget would be better if the

economy is healthier. Have you ruled out the possibility that you would modify in any way your call for an increased defense budget, maybe just for this 1 year, when the economy is not what you'd like it to be?

A. It isn't the kind of a budget that you can do it for just 1 year. There are weapons systems and so forth, things that have to go on down the line. You don't just call up a supplier and get a delivery on what it is you want to buy, or call him and say, send it next month. You've got to remember that a great share of the defense budget is for humanity. It is for the men and women in the Armed Forces, the pay scale that is now approaching some reasonable level.

But we're looking at everything, and we're not prepared to give any indications yet of what we're looking at. I would have to say that, yes, we're looking, if there are savings that can be made without delaying or setting back what we think is the improvement we must have if we're going to close that window of vulnerability that we inherited. We can't do that. The first and primary function of the Federal Government is the national security.

Q. Israel continues to ignore your call for a freeze of settlements of the West Bank. How damaging is Israel's ignoring of that freeze to the peace process, and what are you prepared to do about it?

A. Prime Minister Begin is coming here, and I'm sure that he and I will have some talks on that, as well as other subjects. We do think it is a hindrance to what we're trying to accomplish in the peace movement.

Obviously, the solution to the Middle East must be what we outlined earlier, and that is to bring the Arab States and leaders and the Israelis together at a negotiating table to resolve the differences between them. And that begins with their recognizing Israel's right to exist as a nation. I am still optimistic, and that's why Phil Habib is going back there.

Q. Are you prepared to do more than just talk with Prime Minister Begin? Are you prepared to consider any sanctions to force a change in Israeli policy?

A. I don't think that it would be good diplomacy to be threatening or anything, and I don't believe that's necessary. I think all of us realize that peace is the ultimate goal there.

Q. You like to describe yourself as an optimist, a man who sees opportunities instead of problems. And in that light I'd like to hear what you think are the opportunities that the United States now has with the death of President Brezhnev?

A. I don't think that the death of President Brezhnev is a factor in this—of what opportunities we might have.

I have felt for a long time that we have an opportunity, because while the entire world, including the Soviet Union and ourselves, is involved in a deep recession and deep economic problems—all of us—it would seem to me that out of those troubles, that might be a time when, in a cooperative sense, we could find out that we'll all be far better off if we decide to get along with each other, instead of one pursuing an aggressive policy and the other one resisting that and so forth.

I am optimistic that—and would have been without his death today—continue to be optimistic that we can get together.

Q. You've said recently that you believe a number of sincere Americans who support a nuclear arms freeze are being manipulated by those who want the weakening of America. Could you elaborate on this for us? Do you have any evidence of foreign involvement in the U.S. peace movement?

A. Yes, there is plenty of evidence. It's been published by some of your fraternity. There was no question but that the Soviet Union saw an advantage in a peace movement built around the idea of a nuclear freeze, since they are out ahead. And I want to emphasize again that the overwhelming majority of the people involved in that, I am sure, are sincere and well intentioned and, as

THE PRESIDENT

a matter of fact, are saying the same thing I'm saying. And that is, we must have a reduction of those nuclear weapons, and that's what we're trying to negotiate now in Geneva. But to put the freeze first and then believe that we have not weakened our case for getting a reduction, when the other side is so far ahead, doesn't make sense.

Yes, there has been in the organization of some of the big demonstrations, the one in New York and so forth, there is no question about foreign agents that were sent to help instigate and help create and keep such a movement going.

Q. Is that the extent of the involvement as you know it, or has there been money involved, or are there other ways that the Soviet involvement has manifested itself?

A. I can't go beyond what I've done because I don't discuss intelligence matters, and that's what I would be getting into.

Q. Evidence mounts that key weapons in your \$400-billion weapons procurement buildup are in trouble. Navy testers say that the F-18, on which you'd spend \$40 billion, is too heavy for its major mission. Your closest military science adviser says the latest basing plan for the MX won't fool the Soviets. The Pershing missile, on which NATO defense would depend, literally can't get off the ground. The antitank weapon the Army wants to buy seems to be ineffective against modern Soviet tanks. The Maverick missile can't find its targets. [Laughter]

I wonder whether in light of all these failures you have any reason to wonder whether a \$400 billion arms buildup is money well spent.

A. It isn't \$400 billion in any single year that I know of. That's exaggerating. I've read the same articles, also, and having access to information closer to the source, I don't believe those things about the weaponry.

Obviously, in any new weapons system, there are problems and there are bugs that have to be worked out. But I have faith in our technology and

the level of that technology, and I know that we have been markedly increasing our defensive capabilities with what we're doing. And as I say, some of my sources I can't reveal.

Q. As you may recall, last June in Berlin you talked about the danger of accidental nuclear war and put forward the idea that this might be a new initiative that the Administration could consider in the arms control field. I wonder whether in your planning for next year you have some arms control initiatives in the works.

A. All of these things are in the works, and that's why we have three teams negotiating—one on the matter of conventional arms, one on the matter of strategic missiles, and the other on the matter of the INF [Intermediate-range Nuclear Force], the zero option that I announced a year ago. But I tell you what I'd rather ask you to do and wait for is, in the very near future, I am going to be speaking in a major address on that entire subject.

Q. You said in September that you could not determine how long American Marines would remain in Lebanon. But since that was 6 weeks ago, don't you think it's time to give the American public an indication of how long they'll be there?

A. I wish I could. This is one of the reasons why Phil Habib is going back over there, take charge of what's going on.

The plan as proposed is one that requires, of course, the ability of the new administration in Lebanon to stabilize and to be able to take charge of its own borders. This calls for, as quickly as possible, also, the removal of all foreign forces from the soil. And that's why our multinational force is there.

I can't give you a close-out date on that, but I can tell you that we're trying to push as fast as we can on the two things that must happen. And that is the ability of the Lebanese Government to heal the wounds and bring their people together and have control. But, also, it hinges on getting the three foreign factions—the PLO, the Syrians, and the

Israelis—out of Lebanon. And we are pushing on that as fast as we can.

Q. Is there any reason to believe the troops might be home for Christmas?

A. I just can't speculate on that. I can't tell you. But I do know this: We think our plan is working. Whether it's working as fast as we'd like or not remains to be seen.

I think the important thing is that that force, that multinational force is there in the name of helping bring about peace. I think the most important thing is to see that the job is done, and I believe they understand that.

Q. Is it possible that the United States might cut back on aid to Israel in direct proportion to the cost to that country of establishing new settlements on the West Bank, all this as a means of achieving the freeze that you're seeking?

A. To answer that question one way or another, I don't think would be helpful in the situation that we're in today, where we have made so much progress in the Arab States, the unusual, the unique thing of the representatives of the Arab League being here to meet with me as they were just some days ago; the need now for Israel to, itself, recognize that they, too, must play a part in making it possible for negotiations; the part that must be played and recognized and that one of President Gemayel's problems now is reconciling Muslim groups within his own country. I don't think to start talking about whether I should or should not make threats of some kind or other is going to be fruitful at all.

Q. [Inaudible]—got a request here for some factual information. Is it true that the Begin government now is spending about a \$100 million a year to subsidize settlements on the West Bank?

A. I don't know that figure. I imagine I could find that out very easily.

Q. In 2 weeks the United States will celebrate Thanksgiving. Given the passing of Brezhnev, inevitably, there are comparisons between the two systems. Could you take just a minute

to tell Americans why at this time they especially should be thankful for their blessings and give a comparison of the two systems?

A. Yes, because I think the comparison is so obvious, and you don't even have to use our own country. Turn to some of the newer and the developing countries, and those that have chosen our way—the free way, free trade, democracy—are so far ahead in standard of living and the happiness of their people than the others that have chosen the other, the controlled, the authoritarian way—and I think here is—Lincoln said it then, and it's truer even today, this is the last best hope of man on Earth.

We are freer than any other people; we have achieved more than any other people. If you looked around this room—I thought the other day, when we had all those representatives from all

over the world, all of those representatives in this room, who were here to look at our election, to learn how they could spread the word about that kind of freedom in their own countries and in other countries in their own continents—I thought that we could have a meeting of Americans in this room. The ethnic heritage of the Americans in this room would be as diverse, and there would be as many represented as there were in those hundreds of people who have come from foreign lands here today. There we all live together proudly as Americans, in spite of that difference in birth. There just isn't any comparison with what we have and what we have to be thankful for.

. . . .

Q. Are you close to an agreement with West European countries on an East-West trade policy that will enable you to lift the sanctions on the Soviet natural gas pipeline?

A. We are in negotiations and have been for some time on the East-West matter with our Allies. And we are, at last, making what I think is sizable progress.

I have nothing to announce as to any definition of that at the moment, but we've made progress. We started this long before there were sanctions. We started at Ottawa last year. We tried again in Europe in the two meetings there—in the summit meetings. We have continued. We had a team negotiating over there. We finally put the sanctions into effect. But we're discussing that relationship—or that arrangement with our partners without the sanctions playing any part of it.

Our decision on the sanctions will be based on when we feel they've served their purpose and when we feel that there could be a better situation without them.

Text from Weekly Compilation of Presidential Documents of November 15, 1982. ■

Vice President Bush Visits Africa and Bermuda

Vice President Bush departed Washington, D.C., November 10, 1982, to visit Cape Verde, Senegal, Nigeria, Zimbabwe, Zambia, Kenya, Zaire, and Bermuda. (On November 14-15, he headed the U.S. delegation to the funeral of Soviet President Leonid I. Brezhnev in Moscow; see page 58). He returned to the United States on November 24.

Following are the Vice President's statements, remarks, and toasts made during this trip, as well as the text of the U.S.-Nigeria joint communique.¹

CAPE VERDE

Departure Statement

Sal
Nov. 10, 1982

On behalf of my wife Barbara and the entire delegation, let me express our gratitude for that warm reception which President and Mrs. Pereira and all of you have offered us today.

I'm especially glad to have had this unique opportunity to exchange views with President Pereira on a wide range of bilateral and world topics. President Reagan asked me to come to Africa as his personal representative in order to gain firsthand impressions and to explain the policies of the Reagan Administration. The President also asked me to listen closely to Africa's leaders

and to report to him on their deepest concerns.

We are aware of the record of Cape Verde since independence in building a better life for its people, in spite of the handicaps of persistent drought and lack of natural resources. I want to say that the United States will continue as a steady partner in your tireless efforts to bring about a better quality of life.

Let me add, too, that in pledging our continued assistance, we must understand that available resources are not likely to be as plentiful as they have been in the past. We must recognize that government efforts in and of themselves are insufficient. We must tap other sectors. Any nation's principal resource is its people. In this, Cape Verde is handsomely endowed. The spirit of private initiative, the entrepreneurial spirit, is a crucial element in contributing to sustained economic development and has already yielded success stories throughout the developing world.

As a native New Englander, I am well aware of the depth of the "Cape Verde-American" connection. For more than two centuries, the people of these islands have forged their link in the great chain of American history. It is stirring to know that we've been able to maintain these bonds over such a long period.

This past summer the schooner *Ernestina* set sail from the port of Mindelo. After a passage to America sailed by thousands of Cape Verdeans over the years, it arrived in New England, where it is now berthed as a permanent reminder of their rich contribution to our own national heritage. We will treasure the *Ernestina* as a symbol of lasting ties between our peoples.

Finally, as we traverse the vast Continent of Africa in the coming weeks, I look forward to learning firsthand of Africa's problems and attitudes. We've made a good start in our brief but rewarding visit to Cape Verde. We do not say farewell, but rather thank you and *ate logo*.



SENEGAL

Dinner Toast

Dakar
Nov. 11, 1982²

It is a privilege, as the representative of a nation profound in its belief in liberty and human dignity, to begin my visit to the African Continent in a country that has so clearly and so consistently demonstrated the same beliefs. When liberty and law rule, citizens can rejoice; leaders can be well pleased with their stewardship.

Relations between the Republic of Senegal and the United States have almost certainly never been warmer or closer than they are now. Ninety-nine years ago, the United States established a consulate on the Island of Goree; in 1960 we opened our embassy. For more than 20 years, we have worked together to make sure our relationship would be mutually beneficial. Our efforts have been crowned by success—especially, I would like to think, since January 1981. The two Administrations which took office then—yours under the leadership of President Diouf and ours under the leadership of President Reagan—have raised our bilateral relations to a particularly privileged level. In this respect, we can especially be pleased with our work.

Our increasingly close cooperation reflects many of the common ideals and aspirations of our two societies and peoples. We share a fundamental commitment to the peaceful solution of conflicts and to the rule of law. We both affirm unshakable attachment to our democratic institutions, to human rights, and to the inalienable liberty of all men and all women.

This close collaboration also reflects, I think, the personal philosophies of the leaders of our two governments. Neither President Diouf nor President Reagan believe in magic solutions to difficult problems. They have affirmed as leaders the simple propositions that progress can only be achieved through sacrifice, hard work, and common sense. Your daily actions show how true the Senegalese proverb is that "man is the best cure for his own ills." As our philosopher, President Thomas Jefferson, asked: "How can great results be obtained except by great efforts?" You have our pledge that the United States is committed to seek an end to the ills which assail us all, to advance justice and dignity throughout the world. Criticism is directed every day at the United States. But I ask our friends to consider this: Has any great power in human history so consistently used its great power for purposes so benign? I think not.

President Reagan's Administration will make no easy promises which it cannot keep. We will not posture for the sake of easy good will. And we will not direct gratuitous criticisms at others. We have demonstrated clearly that we will honor F.H.A.A. and improve on our commitments to our traditional friends in Africa and elsewhere.

I would like to thank you and your government for the welcome extended to us here. Senegal is a country that smiles on the stranger. This friendship

comes ultimately from the heart of a people, and it is found in great abundance in Senegal. An American is at home where hard work and human dignity are respected. An American is at home where liberty and justice prevail. For these reasons, especially, an American is at home in Senegal.

In this spirit, let me ask you to join me in a toast to Presidents Abdou Diouf and Ronald Reagan and to the spirit of collaboration, to the spirit of friendship which prevails between the Senegalese and American peoples.

NIGERIA

Remarks before the Nigeria-U.S. Business Council

Lagos
Nov. 13, 1982

Thank you very much, Chief Lawson [Adeyemi O. Lawson, chairman of the Nigeria section of the Nigeria-U.S. Business Council], for that exceptionally warm welcome and let me say to you, sir, and to the members of the Nigerian Section of the Nigeria-U.S. Business Council, and to the representatives of



The Vice President meets with Prime Minister Habib Thiam.

Opposite page—Top: Signing ceremony for PL-480.

Bottom: Vice President Bush holds a bilateral meeting with President Aristides Pereira.

(White House photos by Cynthia Johnson)

THE VICE PRESIDENT

American firms here and other guests, ladies and gentlemen, let me just say how very pleased I am to be here. This is, Chief Lawson, a return to Nigeria for me. I was here on a very unofficial visit, although I was then Ambassador to the United Nations, about 10 years ago, and so I am delighted to be back here.

Yesterday, Ambassador Pickering [U.S. Ambassador to Nigeria] had some guests out at the embassy for a reception, and there I had the opportunity to see some of the people with whom I worked years ago. I must say that, I expect I speak for every American here, the minute I stepped off that airplane, I could feel the warm hospitality of not only the Nigerian Government but of the

people. You just have a wonderful way of making people feel at home, Chief Lawson, and your introduction did nothing but add to that perception.

I look around the room and I see some—I will not comment on the Nigerians present, but I feel privileged to make a comment or two about the Americans present probably all grumbling about how the hell does the Vice President show up on a Saturday morning. Well, that's the only way I could work it but do not be militant, do not throw any rolls at me; I promise to be mercifully brief. But this did seem like a fortuitous occasion, at least, for me to have an opportunity to visit with those in the private sector and the schedule was tight, indeed. I have been asked by President Reagan to represent us—Americans I am now speaking to—tomorrow just as the Vice President of Nigeria—Vice President Ekwueme—has been asked by President Shagari to represent Nigeria—I will be representing the United States, standing there in icy cold, in Red Square on Monday, so I have to cut this visit a little bit short and fly to Moscow.

But as I told our Nigerian friends yesterday, this will not deter me from finishing what, for us at least, is an important trip to Africa. I'll go to Moscow, then fly to Frankfurt, and on down to Zimbabwe and continue our African tour. I cite this only because we believe that our developing—and they are still developing—friendly—and they are friendly—relationships with Africa are

important, and sometimes we get a rap and maybe its fair at times, I don't know, of disregarding or of not paying proper attention to Africa. If this visit does nothing else, I hope it does show the keen interest that we have in relationships between, in this instance, Nigeria, in other instances other countries that mean so much to us on this continent.

Chief Lawson referred to my background in the oil business, and I had not intended to dwell on that or mention it, but I am very proud of it, as a matter of fact. Politically, at home some consider business to be a liability rather than an asset. I happen to look at it as just the other way around and I think that, and I know everybody here agrees and the Chief certainly does and so I will not dwell on it, but I remember my early days in business.

I see Jay Anderson here from Texas and a few others that are familiar looking faces and I was early on the offshore drilling business. Indeed our company pioneered the construction of the first laterno self-elevating rig. We built it; we were too dumb to know that it might have problems so our company took a chance on it when no other country would and it turned out to be one of the foremost designs for drilling offshore.

I don't know whether they have any off Nigeria right now, but anyway it was a very interesting and pioneering risk-taking time. And I emphasize that because many of you here are involved

Cape Verde—A Profile

Geography

Area: 1,557 sq. mi. (slightly larger than Rhode Island). **Capital:** Praia (pop. 39,000).

People

Population: 300,000

Ethnic Groups: Creole (71%), African (28%), European (1%). **Religions:** Roman Catholic (65%), animist (35%). **Languages:** Portuguese (official), Crioulo.

Government

Type: Republic. **Independence:** July 5, 1975. **Constitution:** Draft under revision. - **Branches:** *Executive*—President (head of state), Prime Minister (head of government), Council of Ministers. *Legislative*—National Assembly. *Judicial*—National Council of Justice, lower courts. **Political Party:** African Party for the Independence of Cape Verde (PAICV).

Economy

GNP: \$57 million (1979 est.). **Per Capita Income:** \$200 (1979).

Natural Resources: Salt, siliceous rock, minerals. **Agricultural Products:** Bananas, corn, sugarcane, coffee. **Industries:** Fish and fish products, salt, siliceous rock: **Trade (1979): Exports**—\$1 million: fish, bananas, salt, coffee. **Imports**—\$22.6 million: petroleum, corn, rice, sugar. **Major Trading Partners**—Portugual, European Communities.

Taken from the *Background Notes* (May 1981), published by the Bureau of Public Affairs, Department of State. Editor: Joanne Reppert Reams. ■



Vice President Bush meets with President Abdou Diouf.

in risk-taking, and just as we Americans consider that important to profit by taking risks, I know that Nigerians too share that risk-taking venturesome spirit. And we have much in common through that, so I for one am not the least anything but proud of the fact that I worked for a living, made a payroll, took risks, and, indeed, I must say, that if I hadn't done that I expect I wouldn't be standing here as Vice President of the United States, so business is important.

Senegal—A Profile

Geography

Area: 76,000 sq. mi. (about the size of South Dakota). **Capital:** Dakar.

People

Population: 5.6 million. **Ethnic Groups:** Wolof (36%), Fulani (17.5%), Serer (16.5%), Toucouleur (9%), Diola (9%), Mandingo (6.5%), other African (4.5%), other (1%). **Religions:** Muslim (75%), Christian (5%), traditional (20%). **Languages:** French (official), Wolof, Pulaar, Diola, Mandingo.

Government

Type: Republic. **Independence:** April 4, 1960. **Constitution:** March 3, 1963. **Branches:** *Executive*—President (chief of state), Prime Minister (head of government), cabinet. *Legislative*—100-member unicameral National Assembly. *Judicial*—Supreme Court. **Political Parties:** Socialist Party (PS), Senegalese Democratic Party (PDS), National Democratic Assembly (RND), Senegalese Republican Movement (MRS), African Independence Party (PAI), People's Democratic Movement (MPD).

Economy

GDP: \$2.2 billion (1980). **Per Capita GNP:** \$330. **Natural Resources:** Fish, phosphate. **Agricultural Products:** Peanuts, millet, sorghum, manioc, rice, cotton. **Industries:** Fishing, agricultural product processing, light manufacturing, mining. **Trade (1979): Exports**—\$426 million: peanuts and peanut products, phosphate rock, canned fish. **Imports**—\$713 million: food, consumer goods, machinery, transport equipment. **Major Trading Partners**—France, EC (other than France), U.S., Japan.

Taken from the *Background Notes* (Dec. 1981), published by the Bureau of Public Affairs, Department of State. Editor: Joanne Reppert Reams. ■

As I told Vice President Ekwueme, who met me last evening at the airport, in renewing a friendship that started a year ago, I really am pleased to be here in Lagos. The dynamism of the Nigerians, lest you have any doubt, is very well known in the United States. I am happy to be back here having another chance to experience it for myself although it's too quick, too fast an opportunity, no chance to see the ventures that many of my American friends, colleagues here are involved in. I wish that we had more time to actually do that kind of thing.

Nigeria is important to the United States, let's say that right out at the beginning of this talk. We want the United States to be of equal importance to Nigeria, and if the number of Nigerian students in the United States is any guide whatsoever—they are the second largest group of foreign students in the United States this year—then I'd say the chances of that happening are extremely good.

Those young people will come home with a good understanding of how Nigeria and the United States can do business together. They may come home with some other crazy ideas you'll have to knock out of them, but nevertheless they better come home with a—if they're like my kids, they may need a little parental guidance, but nevertheless they will come home, I think, with an appreciation of the diversity of our country in which that respect and feeling for what the free enterprise system has accomplished in the United States. And I think that they will feel that doing business together is a good, a positive thing for the people of this country just as we feel that strongly about Nigeria itself.

I'm told that there are over 300 American companies working in Nigeria today. And Americans are here because they feel that good prospects are here. You know how our system works; we know how your system works. And altruistic and generous as we may feel about the friendship and the warmth, business people are here because they think there are good prospects. We might as well lay that right out there, and that is the way it ought to be.

I'll get back to that in a moment, but first let me share with you some of the recent news from the United States. Some of you may have been gone for a while. One month ago today, the President told the American people America is recovery bound. And the indicators show that this recovery is going at last. And the signs are there and for the most part they are very, very positive signs. I don't believe that this recovery, slow and cautious though it may be at first, will be another flash in the pan. You've probably been waiting a long time, longer than we Americans are used to, to hear those words of modest encouragement.

You may also be tempted, coming as I do, from the hustling, just finished, incessant travel around—I think I have been in 29 States since Labor Day, since around the end of the first week of September. You may also, and understandably so, be tempted to look on those comments as partisan rhetoric. The election campaign, thank God it's over, at least for 2 years; the next one will be fired up January 1, I expect.

But—and I have fun comparing the elections talking to our friends yesterday, the President of the Senate here in Nigeria—the similarities are just inescapable about the politics. But what I've said is no campaign rhetoric, and I haven't come all this way to beat the opposition party over the head; I could do that right there in the United States.

I won't say we don't have problems; we do. We have enormous problems. But perhaps the worst of them—all right, but just let me put it this way, the worst of them clearly in the United States is what for us is an unacceptable level of unemployment—a lot of human suffering going with that, we're concerned about it.

But we faced extraordinary catastrophic problems with the potential for even worse unemployment when we came into office. When we took office in January 1981, inflation—runaway inflation—catastrophically high interest rates, taxes, and an incessant growth of government spending.

THE VICE PRESIDENT

We started by pushing through a tax cut, and we brought down income tax rates by 25% the third year of that individual tax cut going into effect this coming spring. We worked to slash government regulations. Now in front of a business audience, an audience this is aimed at, maybe there is a lesson in it for Nigerians, I don't know enough about your business, but for Americans we've worked to cut back on the excess of government regulations. And we've been reasonably successful.

I'm chairman of the President's Task Force on Regulatory Reform, and business people here know that they have been burdened excessively by regulation. We're not antiregulation. We're going to protect the safety of the working place, we're going to fulfill our responsibilities to the environment, but we feel that there was a go-go decade of far too much regulation just for the sake of regulation. We estimate now that just based on administrative regulatory reform, action taken without the Congress—any legislation needed—we have saved over the next 10 years \$70 billion of money that will be able to go into jobs or unemployment or risk-taking or whatever.

We know, however, that as I stand here, that we are just starting but that growth of regulation has been cut by nearly two-thirds. Inflation reached a peak of 12.4% in 1980—12.4% for the United States of America, extraordinarily high. It's now dropped to 5.1% and I will readily concede that it's still too high for our country. Indeed it adversely impacts on Nigeria itself, a rate that high, but there has been a dramatic improvement in less than 2 years.

Interest rates had climbed in the United States, a prime rate of interest, an economy that interacts and has an adverse effect if things are bad on the entire world economy. Interest rates had climbed to 21% on the prime rate of interest in January, the month that President Reagan and I took the oath of office. And they've come down. There's good news in this for American business, and there's good news in this for Nigerian business because there is an interaction in world economies, of course.

Nigeria—A Profile

Geography

Area: 356,700 sq. mi. (about the size of California, Nevada, and Arizona). **Capital:** Lagos (pop. est. 4–5 million).

People

Population: 80–100 million. **Ethnic Groups:** 250 tribal groups: Hausa-Fulani, Ibo, and Yoruba are the largest. **Religions:** Muslim, Christian, indigenous African beliefs, others. **Languages:** English (official), Hausa, Ibo, Yoruba, others.

Government

Type: Federal republic. **Independence:** Oct. 1, 1960. **Constitution:** Oct. 1, 1979. **Branches:** *Executive*—Elected president and vice president. *Legislative*—bicameral National Assembly. *Judicial*—federal Supreme Court, lower courts. **Political Parties:** Great Nigeria People's Party, National Party of Nigeria, Nigeria People's Party, People's Redemption Party, Unity Party of Nigeria, Nigeria Advance Party.

Economy

GDP: \$77 billion (1980 est.). **Per Capita GDP:** \$750 (1980). **Natural Resources:** Petroleum, tin, columbite, iron ore, coal, limestone, lead, zinc. **Agricultural Products:** Cocoa, rubber, palm oil, yams, cassava, sorghum, millet, corn, rice, livestock, groundnuts, cotton. **Industries:** Cotton, rubber, textiles, cement, food products, footwear, metal products, lumber, beer, detergents, car assembly. **Trade (1980): Exports**—\$26.7 billion: petroleum (96%), columbite, cocoa, rubber. **Imports**—\$15.8 billion: machinery and transport equipment, foodstuffs, manufactured goods. **Major Trading Partners**—U.S., EC.

Taken from the *Background Notes* (Aug. 1982), published by the Bureau of Public Affairs, Department of State. Editor: Joanne Reppert Reams. ■



They've now dropped to 12% and I can tell you here that we confidently expect those interest rates, that prime rate, to continue to drop. That's bringing down with it mortgage rates, and already we're seeing a stimulation of some of our fundamental industries like increasing car sales and a significant increase in housing.

As President Reagan has said, we've been on a decade-long roller coaster ride, mostly because our government, under Republicans and Democrats, let's face it, have tried quick fixes on the economy—quick fixes that might have momentarily worked but didn't have any long-term effect. We're determined to stay with the fundamentals of the economic program and to get our economy back on an even keel. And in so doing, we think this will have the most beneficial effect on the other economies in the world.

We know the effort is going to take a long time, and I wish I could give you a prediction of a quick total robust recovery; I can't do that. But it's going to take a long time, and it won't be easy because the pressure is on, for those of you who haven't been in the States for a long while, for the quick fix, to turn around and go to a quick, easy answer that might have political viability, might be acceptable politically, that would have adverse effect in terms of the economy long run.

We are facing, in spite of the fact that we have cut that growth of spending, astronomical budget deficits due to built-in spending increases. We went through a period, in the United States, in the late 1960s or the 1970s when we just figured that we would start a program at a million dollars, it would be 10 the next year, it would be 100 the next, and the following it would be 300 and nobody would worry about our ability to pay. And now we're waking up and finding that with those built-in spending increases, somebody has to pay. And it is the American taxpayer and, indeed, we're concerned about the size of this budget.

We're convinced that the policies are going to bring back a vigorous economy, as I said, but we know that we can act

The Vice President meets with President Alhaji Shehu Shagari.

as a primary engine over the world economy. I feel from my talks last night, visiting with several of you here, that Nigerians share those hopes because of our engine with our tremendous GNP. If our engine begins to run smoothly again, it is going to need what Nigeria produces, certainly oil, and if you can sell us as much of your oil as you did in 1980, then that Nigerian economy should recover and recover promptly. And that, of course, would make it possible, and I might add—and I'll put in a little plug here—for you to buy more American goods. We're interested in that, and I don't mind being a salesman here today.

That brings me to my next subject—the prospects for American business here in Nigeria. I said a few minutes ago that there are some 300 American companies working here. That doesn't include firms that only sell products through trading companies. Most of the 300 are small firms, the backbone of American business. They are not listed on the stock exchanges, but they do a terribly important amount of business.

I'll not single people out here, but I will single out Jay Anderson, a friend of mine. He and his brother, Everett, are rice farmers in the tremendous city of Eagle Lake, Texas—I'm sure everybody has heard of it and if you haven't it's also working in East Bernard, Texas! But Jay and his brother have formed a venture in Kwara State with the Isa Brothers—Gembery and K.K.—and the National Grains Production Company. They're building an integrated rice, maize, and general farming complex. In 6 years, they plan to produce two crops a year of rice and corn earning an estimated \$450 million gross for the project.

That's what I call farming, and that is the sort of small town—Eagle Lake, East Bernard—expertise that Americans can bring to joint venture partners in Nigeria. And I can tell you all one thing about Jay Anderson—I don't want to embarrass him; I'll bet there's not a guy, not a farmer, not a worker, not a whatever pay a worker on that farm works, he's not going to get his hands any dirtier or work harder than Jay Anderson. And we Americans should bring that kind of willingness to roll up our own sleeves and get the job done with us.

I single out Jay and Everett, possibly because they're from Texas which is my home State, but as long as I'm on that kick, I might mention another Texas company—Anderson Systems International—working in partnership with Textron of Arlington, Virginia. They have agreed to set up and operate prefabricated, concrete structure plants in Nigeria.

The first plant is going to be right here in the capital city, and I'm told the Federal Ministry of Housing has called the Anderson system the most appropriate for Nigeria that they've ever seen. And I have a feeling that that's good for Nigeria. And certainly they wouldn't be doing it if they didn't feel that it was good for the United States.

Several other larger companies have also signed contracts in recent weeks—Foster Wheeler, Pullman-Kellogg, Global and Heckels, and I could mention others. But the point is clear, and I feel that I'm preaching to the choir, both the Nigerian side and the American side, or you wouldn't be sitting here on a Saturday morning.

But the point is clear, Americans mean business. And having said that, I might as well say that many Americans who want to do business with Nigerians tell me that at times, and I hope I am not going to be too frank here, that at times they find the market somewhat difficult. Now you know as well as I that Americans are not soft; we feel that we can compete vigorously, effectively, if we're given an equal chance, and we're ready to meet the challenges here because we think the future looks good.

And we know that money is tight in Nigeria just as it's tight everywhere else in the world. Things may not be easy just now but everyone with whom I have talked says that Nigeria is still the market with the best prospects in black Africa for the long term. We'd like to compete and cooperate in that market because we think that that's one of the best ways to make strong, lasting relationships between countries.

So this Saturday morning, I'd like to give a challenge to our Nigerian friends: Give us a chance to compete on an equal footing without competitors. Get your government to tell us, if you will, where

and how we can best compete and let's not waste projects. One of our problems is that we don't get a chance to bid on some projects. And if we did, couldn't Nigeria give us a fair opportunity to work some of those sectors? I think this is reasonable considering that we buy an awful lot of oil, but we're not asking for something that we don't fight for or earn. We all know that one-sided trade is unhealthy.

Let me challenge you to give Ambassador Pickering details of six projects where you are willing to give our firms the first crack at making the best bid; if we don't get the best bid in there, we don't expect a thing, but give us that shot. And there already exists a couple of organizations created to help businessmen get together.

One of them is the Nigeria-U.S. Business Council headed here by Chief Lawson. I do want to thank the Chief and the other council members for their warm hospitality. Without them, I wouldn't have been able to meet with you and I do consider this as important as any meeting I'm going to have in Africa because, as I said at the outset, we feel strongly about the private sector that drives the engine right here in Nigeria.

I have high hopes for this business council, and I have personally endorsed it several times in the past. I continue to wish you success in your efforts to increase trade and commerce between our two countries. Let me assure you that you'll be heard with sympathetic ears whenever you want to consult us.

Another organization of much longer standing is the Nigerian-American Chamber of Commerce. All of you in Nigeria can join, and I'm sure the Chief would welcome you all as members. The chamber has a counterpart in New York, as well as several chapters in other cities in Nigeria. Ambassador Pickering told me this morning that he had been encouraged by some of the chamber's recent initiatives. I wish the Chief and all the other members of the chamber every success in their efforts to bring together Nigerian and American businessmen in enterprises that should benefit us all.

For our part, in the government, the Administration has recently cooperated

THE VICE PRESIDENT

with Congress to produce a new major piece of legislation which should bring many more American products and firms to Nigeria. It's called the Export Trading Company Act. I don't know how familiar any of you are with it, but it allows American banks, holding companies, and others to invest up to 5% and loan up to 10% of their capital and surplus to an export trading company.

We think that this legislation will become a vital international sales tool enabling the business community to increase exports and provide—there was an estimate by Chase Econometric—of between 300,000 and 600,000 jobs in the United States associated with this and thus strengthening our own economy. I urged with representatives of the American banks here to see to it that their parent banks form such companies to deal with some of the top Nigerian traders who are here with us this morning.

But we're not stopping there. In the past couple of weeks, as we've prepared for this trip, we've looked hard for other ways to help American businesses in Nigeria and elsewhere in Africa. We looked at the record and realized that while America is still Nigeria's largest trading partner when two-way trade is considered, we've slipped from second place to fifth place, and we can do better than that. We in the Administration are determined to do everything possible to assure fair trade with all of our trading partners in order to allow you to compete in free and fair markets on an equal footing.

And, finally, I want to remind you all that while I have to leave Nigeria early tomorrow to continue this journey, I leave here one of our most respected ambassadors, Ambassador Pickering, whom I have known over the years and one who is deeply interested in and involved in the affairs I've mentioned. I know that some business people have had complaints over the years. Perhaps you might cite me as one who complained that some embassies were less than oriented to the economic responsibilities of the embassy—to the private sector response. But I can tell you that under Ambassador Pickering, that it is not true here.

We have somebody who understands the importance of the private sector. I know that the ambassador has a first-rate staff here at this embassy, and they do stand ready to assist in business matters in any way they can; not to butt in, not to push into that private sector one-on-one, Nigerian versus U.S. business, working hand-in-hand but to facilitate, to speed up, to help, to advise. And so, I would urge that you make use of them, a good many of them are here among you this morning.

Before I sit down, I want to say that I have been looking forward to coming back here for a long, long time. Having come, I only wish that we had more time together. I did have a good chat last night with Vice President Ekwueme and an excellent meeting with President Shagari as well. And we had much to discuss as good friends do.

I look forward to the remainder of this stay. I promise you that when I come back that we will schedule the meeting at some time other than Saturday morning.

I am grateful to our Nigerian friends for this hospitality and let me end this way; I'm also grateful to the risk-taking, profit-oriented, competitive American businessmen who are with us today. You have our full support.

U.S.-Nigeria Joint Communique

Lagos
Nov. 13, 1982

Joint communique issued during the official visit to the Federal Republic of Nigeria of Mr. George Bush, Vice President of the United States of America, Friday 12th to Sunday 14th November, 1982. The Vice President of the United States of America, Mr. George Bush, accompanied by Mrs. Bush and a delegation of high ranking government officials, paid an official visit to the Federal Republic of Nigeria from November 12 to 14, 1982, at the invitation of his Nigerian counterpart, Dr. Alex Ifeanyichukwu Ekwueme. Vice President Bush had the honour to pay courtesy calls on His Excellency Alhaji Shehu Shagari, President of the Federal Republic of Nigeria, and on the Honorable Dr. Joseph Wayas, President of the Senate.

Official talks were held between the visiting Vice President and his host accompanied by his delegation. During these talks, which were characterized by cordiality and understanding, the two Vice Presidents exchanged information on global, political, cultural, economic and social developments. They examined various aspects of the present state of their bilateral relations and means of



Vice Presidents Bush and Alex Ekwueme sign joint communique.

THE VICE PRESIDENT

further developing and strengthening them. They also exchanged views on the world situation and their respective countries' position on a number of international issues, including some now before the 37th session of the United Nations General Assembly. The two Vice Presidents agreed on a number of areas where Nigeria and the United States can work together to foster world peace and prosperity. They affirmed their continued support for the United Nations and endorsed its collective efforts to achieve world peace. The two Vice Presidents welcomed the steps being taken to effect a lasting, durable and just peace in the Middle East, in conformity with Security Council resolutions.

South Africa and Namibia: As to the future of southern Africa, the two Vice Presidents agreed that it is of vital importance to work urgently for the achievement of peace and regional security in southern Africa. The two Vice Presidents reaffirmed the opposition of their governments and nations to apartheid and racial discrimination. As regards Namibia, the two sides reaffirmed their conviction of the necessity for rapid decolonisation and independence for Namibia on the basis of recognized democratic principles and the will of the majority of the people. They agreed that an internationally acceptable independence for Namibia under the terms of United Nations Security Council Resolution 435 remains an objective of highest priority for both governments. The work of the five-nation Western contact group and of Nigeria and the front-line African states to secure Namibia independence was again strongly endorsed and it was agreed that close consultations between the two governments, and other members of both groups, would continue. Vice President Bush reviewed his government's parallel efforts to insure the timely withdrawal of all foreign forces from the area, and it was agreed that the matter should continue to be the subject of bilateral discussions between the United States and the Governments of Angola and South Africa. Vice President Ekwueme reaffirmed his government's position that the withdrawal of Cuban troops from Angola must not be a condition for movement towards Namibia's independence. Vice President Bush indicated the United States objective is parallel and consistent with the security interests of all parties.

OAU and Other African Issues: Vice President Bush noted his government's strong support for the Organization of African Unity, and commended the organization's efforts to secure peace and foster African development. The two Vice

Presidents reaffirmed their governments' views on the need for a cease-fire and an early referendum in the Western Sahara in conformity with resolutions passed at the Organization of African Unity summit meeting in Nairobi in June, 1981. The two Vice Presidents expressed satisfaction at efforts to secure reconciliation and their national unity in Chad and pledged the support of their governments in assisting the Government of Chad.

Economic Relations: The two leaders discussed plans for the seventh round of bilateral talks to be held under the aegis of Vice President Ekwueme in Lagos in February, 1983. These talks will include cooperation in the areas of agriculture, energy, science and technology, health, trade and investment and education. The Vice Presidents agreed that they look forward to continuing close contact on the joint economic bilaterals and that each will play host to the meetings in the future which take place in his own capital city.

Vice Presidents Ekwueme and Bush expressed satisfaction over the inaugural meeting of the Nigeria-U.S. Business Council in September, 1982 as a concrete and effective measure to implement earlier bilateral discussions. They also took note of the concrete results achieved by the United States-Nigeria Joint Agricultural Consultative Committee (JACC), which has contributed significantly to increased cooperation between the United States and Nigeria in support of expanding Nigerian agricultural production, as well as to increase sale of American agricultural products. They noted that the United States Agency for International Development has signed a contract to provide for increased staff support to the Joint Agricultural Consultative Committee.

The two leaders also exchanged views on the current state of the world economy. Mr. Bush highlighted the steps being taken by the United States to reduce inflation and lower interest rates in order to set the stage for long-term real growth of the American economy. Dr. Ekwueme highlighted the measures recently taken by the Federal Government of Nigeria to adjust economic activity to expected levels of oil income.

Commercial and Agriculture: The United States side expressed its determination to continue to work to increased trade with Nigeria despite the current problems in the economies of both countries. Using the full range of available facilities such as the Export-Import Bank, the Overseas Private Investment Corporation, the new export trading company legislation and with a maximum role played by the private sector. The Nigerian side welcomed this determination and for its part confirmed the recent opening of a Nigerian Trade and Investment Center in New York and its plans to open another one in Chicago before the end of 1982.

Note was taken of new United States Department of Agriculture credit programs which may become available for Nigeria. These would provide direct credit blended with export credit guarantees which would effectively reduce the overall cost of credit.

Democracy and Human Rights: Vice President Bush expressed the strong admiration of his country and its peace for Nigeria's deeply held commitment to democracy and human rights. The deep appreciation of the United States Government was expressed for the participation of President Shagari's personal representative as a keynote speaker at the recently held Washington conference on free elections.

Travel and Exchanges: Both sides viewed with satisfaction the tradition of fruitful exchanges between citizens of the Federal Republic of Nigeria and the United States. Both sides reviewed the United States' decision of July 15, 1982, to issue multiple entry visas valid during four years to most categories of Nigerian non-immigrant visa applicants. Ways were discussed to reduce to the minimum extent possible the remaining procedural barriers in documenting persons for travel between the Federal Republic of Nigeria and the United States and to work towards reciprocity in visa issuance procedures.

The two Vice Presidents expressed their very deep satisfaction at the useful contacts which were made during this visit and hoped that they would form the basis of future development in their already cordial bilateral relations.

The Vice President of the United States of America, Mr. George Bush, expressed his gratitude and pleasure to his host, Dr. Alex

THE VICE PRESIDENT

Ekwueme, for the hospitality and warm reception accorded to him and his delegation. During the talks Mr. George Bush, Vice President of the United States of America was accompanied by:

- 1) The Hon. Mr. Thomas R. Pickering, United States Ambassador to Nigeria;
- 2) Admiral Daniel Murphy, Chief of Staff to the Vice President;
- 3) The Hon. Mr. Chester Crocker, Assistant Secretary of State for African Affairs;
- 4) The Hon. Mr. Elliott Abrams, Assistant Secretary of State for Human Rights and Humanitarian Affairs;
- 5) Mr. Donald Gregg, Assistant to the Vice President for National Security Affairs;
- 6) Mr. Frederick Wettering, Senior Staff Director for African Affairs of the National Security Council.

Dr. Alex I. Ekwueme, Vice President of the Federal Republic of Nigeria, was accompanied by:

- 1) Hon. P.O. Bolokor, Minister of State Ministry of External Affairs;
- 2) Hon. Ademola Thomas, Minister of State Ministry of National Planning;
- 3) Hon. Dr. J.S. Odama, Special Adviser to the President on Economic Affairs;
- 4) Dr. C.C. Mbadinuju, Special Assistant to the Vice President;
- 5) Ambassador G. Dove-Edwin, Director-General for Regional Affairs, Ministry of External Affairs;
- 6) H.E. Ambassador A.Y. Eke, Nigerian Ambassador to the United States of America;
- 7) Mr. D.A. Akoh, Permanent Secretary in the Office of the Vice President;
- 8) Ambassador A.G. Gobir, Director, Americas and Caribbean Department, Ministry of External Affairs;
- 9) Mr. Fola Olatere-Olagbegi, Counsel to the Vice President and other high-ranking officials.

Done in Lagos this 13th Day of November, 1982.

Mr. GEORGE BUSH, Vice President of the United States of America.
Dr. ALEX I. EKWUEME, Vice President of the Federal Republic of Nigeria.

ZIMBABWE

Dinner Toast

Harare
Nov. 16, 1982³

Thirty-one hours ago in Moscow, I discussed my mission to Africa with President Zia of Pakistan. When I mentioned Prime Minister Mugabe, President Zia made reference to something with which informed men and informed women everywhere on Earth agree. Therefore, I want to acknowledge that I stand in the presence of a genuine statesman—the Prime Minister of Zimbabwe, Robert Mugabe. His stature in the world is well-established, highly respected, and it will be, I'm confident, more formidable in the years to come.

You know very well that some greeted the birth of this new nation with grim doubts. Some wondered whether a revolutionary movement could govern, and others pointed to the gulf of mistrust and hatred engendered by years of war. You faced multiple challenges.

- How to develop peacefully in a region full of polarized conflicts.
- How to retain and build upon one of Africa's strongest and most diversified free market economies while also spreading its benefits to the majority of the population.
- How to retain the confidence, skills, and loyalty of white Zimbabweans while responding to the aspirations of those who fought and voted for you.

It is not my job as your guest, nor would I be presumptuous enough, to issue a report card on your leadership and your new nation. You have faced awesome challenges, some overcome, and some still on your agenda. I do want to say on behalf of the Reagan Administration that we support—we strongly support—the policy of reconciliation to which you have committed yourself—just as we support the constitutional agreements reached at Lancaster House. We believe Zimbabwe represents a noble experiment in the midst of a strife-torn region. It also represents an effort to put aside the past and begin the work of healing. We have supported your coun-

try because its success is consistent with U.S. principles and U.S. interests. I will report to President Reagan that Zimbabwe continues to deserve our support, because America is committed to backing peaceful change, economic development, and is committed to the rule of law.

I am proud that my country has played a part in Zimbabwe's young life. You might recall that when your country gained independence, the United States was one of the first to open an embassy in this city. You have pressed for Namibian settlement with both urgency and

Zimbabwe—A Profile

Geography

Area: 151,000 sq. mi. (slightly larger than Montana). **Capital:** Harare (pop. 650,000).

People

Population: 10.5 million (Oct. 1982 est.). **Ethnic Groups:** Shona (77%), Ndebele (19%), white (3%), less than 1% coloureds (mixed race) and Asians. **Religions:** Part Christian, part traditional faiths (50%), Christian (25%), traditional (24%), some Muslim. **Languages:** English (official), Shona, Sindebele.

Government

Type: Parliamentary democracy. **Independence:** Apr. 18, 1980. **Constitution:** Dec. 21, 1979. **Branches:** *Executive*—president, prime minister (head of government). *Legislative*—bicameral Parliament. *Judicial*—High Court divided between general and appellate divisions. **Political Parties:** Zimbabwe African National Union (ZANU-PF), Zimbabwe African People's Union (PF-ZAPU), United African National Council (UANC), Republican Front.

Economy

GNP: \$5.8 billion (Dec. 1981). **Per Capita Income:** \$13,480 (whites); \$314–655 (African). **Natural Resources:** Chrome, coal, asbestos, copper, nickel, gold, iron ore, vanadium. **Agricultural Products:** Tobacco, corn, sorghum, wheat, sugar, cotton, cattle. **Industries:** Mining, manufacturing. **Trade Exports:**—\$937 million (1981): agricultural products, especially tobacco, cotton, and corn, and minerals. **Imports:**—\$1.34 billion: finished manufactured goods and equipment, petroleum, transport equipment. **Major Trading Partners:**—South Africa, U.S., Japan, U.K., F.R.G., France.

Taken from the *Background Notes* (Oct. 1982), published by the Bureau of Public Affairs, Department of State. Editor: Joanne Reppert Reams. ■

skill. Just as important, Zimbabwe itself provides a model on which efforts to free Namibia could succeed. Compromise and dedication will once again win through.

As you know, since first taking office, President Reagan and his Administration have labored for a Namibian settlement. We have spared no effort. We have worked with the Western contact group, with the frontline states, with SWAPO [South West Africa People's Organization], and with the Government of South Africa. Assistant Secretary [for African Affairs Chester A.] Crocker, here with us tonight, has spent more time on this than on any other African matter.

We intend to serve as a disinterested and honest broker—disinterested in the sense of not prejudicing our ability to serve in that intermediary role. The United States possesses neither troops nor proxies in the region. We have no colonial interests, nor do we have military ambitions. On the contrary, the sole American interests in South Africa are the interests of all men in all places—freedom and peace. Our efforts follow distinguished precedents. American labors helped build peace between Israel and Egypt. British efforts, of course, helped lead to your own independence. So today we labor on, with Zimbabwe and other nations, to clear the region of all foreign troops so that Namibia might be free.

A top priority in our diplomacy is southern Africa, where the choices between regional strife on one hand and regional cooperation on the other hand are stark. The inescapable need for peaceful change is challenged by a climate of fear, distrust, foreign intervention, and cross-border violence. The United States is committed to the search for constructive change in southern Africa.

The United States wants an end to South Africa's occupation of Namibia. At the same time, the United States wants an end to Angola's suffering and to the dangerous cycle of violence in the region.

Our number one strategic objective in Africa is to help establish a framework of restraint—a framework that discourages outside intervention in African conflicts while it encourages negotiated solutions and constructive change.

A moment ago I mentioned our journey to Moscow. No doubt you have all seen photographs of President Brezhnev's funeral. The image that struck me the most—one that I will never forget—was the magnificent and stately display of Soviet soldiers. As I watched those young men, I could not help noting that they were about the same age as our own four sons, and I felt again what I have often felt since taking up this office—a sudden, sharp sense of the responsibility that lies on those who lead nations. I know that you share that deep sense of responsibility that lies on those who lead nations. I know that you will continue to exercise your responsibility for the good of this exciting new vibrant nation and in the interests of peace.

Finally, I want to thank all of our hosts for their extraordinary kindness and their extraordinary patience, particularly in light of the schedule changes because of our trip to Moscow. And I think all of you should join with me in thanking Mrs. Mugabe and all others who have done such a marvelous job in arranging this wonderful dinner.

Ladies and gentlemen, please raise your glasses and join me in a toast to Prime Minister Robert Mugabe and to the Republic of Zimbabwe and to its continued development and health.



ZAMBIA

Luncheon Toast

Lusaka
Nov. 18, 1982⁴

Today Mrs. Bush will visit Council House number 394 in Chilenje. It is a humble building. Several decades ago the son of a poor preacher was raised there. In those days Zambia was not ruled by its own people but by those in a foreign capital, thousands of miles away. The preacher's son, Kenneth Kaunda, grew up to work with the people of Zambia to change that.

For 18 years now, Zambians have governed Zambia. Your political institutions demonstrate your commitment to human freedom and dignity. You practice democracy. As I moved about Lusaka today, I could not fail to notice that you are preparing for the 1983 elections. In 1983, as in the past elections, this nation will acknowledge that the Government of Zambia is responsible to the Zambian people.

You believe in a sturdy and inde-

Left: The Vice President meets with Prime Minister Robert Mugabe.

Below: Arrival ceremony with Deputy Prime Minister Simon Muzenda.



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pendent judiciary. Like my own country, Zambia possesses a written constitution and extensive legal codes. Zambia adheres to the rule not of individual men but of the law.

In Zambia's 18 years of independence, your national life has grown vigorous. Two points especially strike me; first, the value you place on a free press. Just a few weeks ago, when he dedicated your new mass media complex, President Kaunda restated Zambia's commitment to an unfettered but responsible press. A free press contributes to a sense of national identity, to honesty in government, and to the impartial administration of the law. You in Zambia know that.

Second, I have been impressed by this nation's stunning success in education. Like Americans, Zambians have possessed a reverence for learning. In Zambia those entrusted with power have realized that they need not fear educated citizens but rather welcome an informed electorate as a source of national strength and political well-being. As President Kaunda has said: "Any nation or people which does not value trained intelligence is doomed."



Vice President Bush exchanges toasts with President Kenneth Kaunda.

When this nation achieved independence, it contained fewer than 100 university graduates. Today Zambia boasts a fine national university, teacher-training, and technical institutions, and several thousand new graduates each year. I call that success.

I am proud that my country has played a part in this nation's life. You might recall that when Zambia achieved independence, the United States was one of the first to establish a resident embassy here. From the first we offered not only friendship but cultural exchanges and, still more important, technical and economic aid. The relative mix of our programs has changed over the years to meet your needs. In recent years, our economic assistance program in Zambia—one of the largest in Africa—has reflected the importance both our governments place on the growing of food. Food aid, commodity imports, and help with your planning, research, and marketing have all represented aspects of our program.

Zambia's leaders have candidly stated that the economic mess that beset us all has sharply curtailed the resources you can dedicate to this country's development. My country is willing to provide special economic assistance. At the same time, however, we believe that expanded private investment in Zambia is necessary to strengthen this country's economy. But President Reagan is cutting inflation and providing incentives that will spur private investment and lead to sustained growth. The best way Americans can help the world economy is by strengthening our own.

The United States supports Zambia because doing so accords with American principles and American interests. Yet our friendship represents not only shared interests but, as all warm friendships must, common experiences. Both the United States and Zambia have gathered languages, customs, and races into one nation. Your rallying cry—"One Zambia, one nation"—expresses the same sentiment as our own national motto, *E pluribus unum*, out of many, one. For two centuries the United States has represented a model for other nations. Now for nearly two decades, Zambia has done the same.

Zambia's example possesses particular importance for southern Africa. President Kaunda has worked long and selflessly as a leader of the front-line states to bring independence to Namibia. Since first taking office in 1981, President Reagan and his Administration have done the same. As I stated in Zimbabwe, we have spared no effort. We have worked with the Western Contract Group, with the front-line states, with SWAPO, and with the Government of South Africa. Assistant Secretary Crocker has spent more time on this

Zambia—A Profile

Geography

Area: 290,585 sq. mi. (slightly larger than Texas). **Capital:** Lusaka (pop. 538,469).

People

Population: 5.7 million (1980 census). **Ethnic Groups:** Mostly Bantu tribal groups.

Religions: Christian, indigenous beliefs.

Languages: English (official), about 70 local languages and dialects.

Government

Type: Republic. **Independence:** Oct. 24, 1964. **Constitution:** 1973. **Branches:** *Executive*—president (chief of state), central committee of party, cabinet. *Legislative*—unicameral National Assembly.

Judicial—Supreme Court. **Political Party:** United National Independence Party (UNIP).

Economy

GDP: \$1.4 billion (1979). **Per Capita Income:** \$258 (1970 prices). **Natural Resources:** Copper, cobalt, zinc, lead, coal, emeralds, gold, silver, uranium, excellent hydroelectric power, fertile land. **Agricultural Products:** Corn, tobacco, cotton, soybeans, groundnuts, sugarcane, horticultural products. **Industries:** Transport, construction, foodstuffs, beverages, chemicals, textiles, fertilizer. **Trade (1979): Exports**—\$1.2 billion: copper, zinc, lead, cobalt, gold, silver, tobacco, forestry products. **Imports**—\$648 million: manufactured goods, machinery, transport equipment, foodstuffs. **Major Trading Partners**—Japan, South Africa, France, U.K., Saudi Arabia, U.S., F.R.G., Italy, Bahrain.

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han on any other African matter. As I have made clear in Senegal, Nigeria, and Zimbabwe, the United States seeks to serve as a disinterested and honest broker. We possess neither troops nor proxies in the region. We have neither colonial interests nor military ambitions. Instead, the sole American interests in Africa are the interests of all men in all places—freedom and peace. We follow distinguished precedents. American efforts helped build peace between Israel and Egypt. British work helped lead to Zimbabwe's independence. As we work, Your Honor, we take realism as our watchword. As President Kaunda has written, we must avoid "both cynical pessimism and facile optimism and discover some hard realisms." We will labor on until all foreign troops withdraw from southern Africa so Namibia might be free.

Two weeks ago, I was enjoying the autumn in Washington with my family. Three days ago, I stood in the chill winter wind in Moscow. As I watched a stately display of Russian soldiers, I couldn't help thinking that many of them were the same age as our four sons. Today I am in a city of flame trees and acarandas, experiencing a beautiful African summer. Again in Zambia I have noticed many young men the same age as our sons.

Seasons change. Languages differ. But the dreams in the hearts of young men and women remain the same. They are dreams of careers pursued in freedom and prosperity. They are dreams of families raised in peace. Through the wisdom and labors of Kenneth Kaunda and many present today, in Zambia those dreams can come true.

Ladies and gentlemen, please join me in toasting President Kaunda, the Secretary General, and the Republic of Zambia.

KENYA

Remarks Before the Kenya Chamber of Commerce

Nairobi
Nov. 19, 1982

You do the United States a great honor in receiving me this evening. I bring you the greetings of the President of the United States and of millions of my fellow citizens who are sincerely interested in America's longstanding friendship with the Continent and people of Africa. I bring also special greetings to President Daniel arap Moi and to all Kenyans. Your country is an old friend of the United States and is dear to us all.

The past 10 days have been important to me. President Reagan asked me to carry our message of friendship and deep commitment to a true partnership with the nations of Africa. We are determined to work with the leaders of this continent in the quest for peace and progress. My visit has been particularly satisfying. It has permitted us to see old friends and make new ones.

I have exchanged views with some of Africa's most impressive leaders. I have had an opportunity to see and feel firsthand the diversity of this beautiful continent and to sense its great promise. In several days I will be able to share with President Reagan and my fellow Americans the thinking of Africa's leaders on the major issues important to us.

It should come as no surprise to you that President Reagan thought that it was especially important for me to visit Kenya. Since Kenya's independence, close ties have bound our two countries and peoples. Your nation has been admired in the United States for its political and economic record.

We share important values—democratically elected governments, civilian rule, freedom of press and religion, a multiracial society, and an economy guided by the principles of free enterprise. Kenya has been a strong advocate

for peace in the world. Your country and its distinguished president have led the Organization of African Unity (OAU) during a year in which Africa faced many problems. Because Kenya has served this year as spokesman for Africa's aspirations, I am especially pleased to speak from the city of Nairobi to all the people of Africa. I particularly wish to speak about the hopes and values which grew up during Africa's struggle for independence and which will guide Africa as it faces the future. Chief among these values is the desire for freedom—freedom of nations from outside pressures and freedom of people within nations. That desire gave birth to the OAU, thanks to the recognition that—without regional cooperation—the peace, progress, and independence of Africa would not be maintained. Such cooperation is not an easy goal given the great variety of peoples, circumstances, and cultures in Africa. This tremendous diversity, coupled with the harsh impact of today's global economic recession, underscores more than ever the importance of African regional cooperation for common purposes.

There is no justification for despair about Africa's future. Despite trials and setbacks, the history of Africa since the independence era has included significant progress, especially in the development of human resources. Education, talent, and energy—such as that represented by this very audience—prove that Africa has the capacity to make good the promise of its enormous potential in spite of the many problems it faces. Thanks to the abilities and values which men and women, like ourselves, bring to the everyday task of national development, Africa can enter its third decade of independence with confidence in the future.

Because we believe that Africa has the capacity and will to be master of its destiny, President Reagan has over the past 20 months worked to forge a new and mature partnership with the nations and people of Africa. We speak of a partnership that begins with mutual respect. We speak of a partnership that includes honest discussions. We speak of a partnership which recognizes that each nation must do its part if the goals we share are to be achieved. Partnership is

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a two-way street based on shared goals, common principles, and mutual interests.

These principles have guided our Administration's policies toward Africa. The time is ripe for the sort of candid dialogue I have been privileged to experience on this trip. And I have learned a lot. A top priority in our diplomacy is southern Africa, where the choices between regional strife and regional cooperation are stark. The inescapable need for peaceful change is challenged by a climate of fear, distrust, foreign intervention, and cross-border violence.

Search for Constructive Change in Southern Africa

The United States is committed to the search for constructive change in southern Africa. In cooperation with our allies and in direct response to the will of Africa's leaders, the United States has engaged its influence and resources in the effort to bring Namibia to independence. We are determined to help turn the sad tide of growing conflict and tension in southern Africa. We are fully committed to work for a settlement that will enhance regional security and assure Namibia's early independence on terms acceptable to its people, Africa, and the world at large.

Let me state again, we are fully committed to an independent Namibia. I can assure you that significant progress has been made. A year ago the settlement effort was relaunched with vigor. Since then, the United States and its Western contact group partners have worked closely and intensively with all parties. This past July agreement was reached on the principles which will guide Namibia's constituent assembly. Since then, substantial progress has been made on remaining issues concerning the implementation of Security Council Resolution 435. We are close to agreement on implementation of the U.N. plan. Remaining issues can be resolved.

From the outset of this Administration's engagement in the peace process, we have emphasized that there are vitally important issues arising from the situation in Angola which must be resolved if Namibia's independence is to be achieved. For 7 years Angola has

Kenya—A Profile

Geography

Area: 224,960 sq. mi. (slightly smaller than Texas). **Capital:** Nairobi (pop. 959,000).

People

Population: 17.5 million (1981 est.). **Ethnic Groups:** Kikuyu (21%), Luhya (14%), Luo (13%), Kalenjin (11%), Kamba (11%), Kisii (6%), Meru (5%), Asian, European, Arab. **Religions:** Indigenous beliefs (26%), Protestant (38%), Roman Catholic (28%), Muslim (6%). **Languages:** English, Swahili, and many tribal languages.

Government

Type: Republic. **Independence:** Dec. 12, 1963. **Constitution:** 1963. **Branches:** *Executive*—president (chief of state, head of government, commander in chief of armed forces). *Legislative*—unicameral 158-member National Assembly. *Judicial*—High Court, various lower courts. **Political Party:** Kenya African National Union (KANU).

Economy

GDP (1981 current prices): \$3.2 billion. **Per Capita Income:** \$196 (1981). **Natural Resources:** Wildlife, land. **Agricultural Products:** Corn, wheat, rice, sugarcane, coffee, tea, sisal, pineapples, pyrethrum, meat and meat products, hides, skins. **Industries:** Petroleum products, cement, beer. **Trade Exports**—\$1.04 billion: coffee, petroleum products, tea, hides and skins, meat and meat products, cement, pyrethrum, sisal, soda ash, wattle extract, pineapples. **Imports**—\$1.9 billion: crude petroleum, machinery, vehicles, iron and steel, paper and paper products, pharmaceuticals, fertilizers, textiles. **Major Trading Partners**—EC, U.S., Canada, Zambia, Iran, Japan, Australia, India, China.

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been engulfed in war, its terroristry invaded, its progress toward a better economic future stalled. Thousands of Cuban troops remain in Angola. Wouldn't Angola and the region itself be better off with all foreign forces out of that country—South African forces and Cuban forces?

The history of foreign conquest in Africa is replete with examples of armed

foreigners who came with the professed purpose of helping others but who stayed in order to help themselves. The withdrawal of Cuban forces from Angola in a parallel framework with South Africa's departure from Namibia is the key to the settlement we all desire. In the final analysis, it is also the surest way to guarantee Angola's long-term security and independence. The United States wants the earliest possible independence for Namibia. At the same time, the United States wants an end to Angola's suffering and to the dangerous cycle of violence in the region. My government is not ashamed to state the U.S. interest in seeing an end to the presence of Cuban forces in Angola. Their introduction 7 years ago tore the fabric of reciprocal restraint between the United States and the Soviet Union in the developing world. Such restraint is vital if African regional security and the global balance are to be maintained.

We recognize there will be no agreement unless all the parties know that their security is protected. We also recognize there will be no settlement unless each party is prepared to make the concessions necessary. If the challenge is accepted, we believe peace can be achieved and a brighter future for southern Africa can begin. The substantial progress already made is based on a diplomatic partnership of equals in which all parties share burdens. That partnership remains vital in our continuing efforts for peace. In the search for that peace, the United States seeks constructive relations with all the states of southern Africa. We are building bridges of communication to each nation in the region, including South Africa.

However, we will not ignore or disguise our strong belief in the importance of justice and equality before the law. Apartheid is wrong. It is legally entrenched racism—inimical to the fundamental ideals of the United States. America's history and America's future can only be understood in terms of our commitment to a multiracial democracy in which all citizens participate and from which all benefit. The rule of law, the principles of consent and participation in the political process, and the right

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The Vice President meets with President Daniel Arap Moi.

every human being to citizenship which reflects these principles are to Americans a sacred trust. We will not betray this trust.

Nor can we escape reality: If there is to be security in southern Africa, South Africa must be involved in shaping it. If there is to be constructive change in South Africa, South Africans of all races—not foreigners—must be the ones who shape the pattern of that change. The United States is working for constructive change in ways that benefit all South Africans. Our actions match our words, as our deepening involvement in expanding educational, social, and economic opportunities for black South Africans demonstrates. We also believe there is a relationship between the security of southern Africa and the pace of peaceful change within South Africa. We do not believe that armed conflict must be the road to justice, and we doubt that it can be the road to lasting freedom and well-being.

Support for Human Rights and Regional Stability

The United States believes that it can be helpful in advancing the frontier of freedom and observance of human rights, not only in southern Africa but in Africa as a whole. Without respect for human rights, there is a great risk that Africa's enormous human potential will be wasted. Fear and intimidation keep people from working to achieve their aspirations, from contributing to the common good, and from pursuing the democratic principles and ideals that are denied for too many in the world today. Narrowing political participation by their citizens can be highly counterproductive. African nations that have devised their own national democratic institutions broaden public participation in government, protect the integrity of the individual, and expand the frontier of economic freedom for the ultimate good of all.

In Kenya respect for individual rights is written in your constitution. Democratic institutions that embody the democratic process have been established. They are an essential framework

for lasting stability. Experience in Africa and elsewhere clearly demonstrates that the abuse of power, the suppression of diversity, and the denial of individual rights only leads to instability and a loss of confidence at home and abroad. My visit to Africa has shown me encouraging examples of African nations that are building their own institutions to broaden political participation and advance the frontier of freedom. We realize, however, that nations cannot reap the benefits of individual freedom in an environment of insecurity. We attach high importance to strengthening Africa's security and are prepared to be Africa's partner in building the necessary conditions for security.

We have no interest in an East-West confrontation in Africa; such a confrontation increases the threat to world peace. The goal of the United States in Africa is to help establish a framework for restraint and broad rules of conduct which discourage the use of outside force in African conflicts and encourage peaceful settlement of conflicts in the region. In this area our goal is consistent with the goals enshrined in the Charter of the Organization of African Unity.

At the same time, the United States is deeply sensitive to the threats which individual nations and the regions of this continent face and probably will continue to face. Internal stability, often fueled by outside interference, and longstanding border and ethnic disputes tax heavily the resources of African governments. The United States has no mandate to act as a policeman in Africa, and it seeks no such role. But neither do we believe that the sovereignty of African nations will be preserved if the West is unable or unwilling to respond to the legitimate defense needs of its friends in Africa. The United States intends to be a reliable partner both in working with our friends on a long-term basis to meet these needs and in responding to their urgent requirements in emergency situations. We have done so in the past; we are doing so today. Let there be no doubt about our determination and capability to do so in the future.

At the same time, our overall concern, including the concern that guides our military assistance, is to dissuade

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countries from undertaking military solutions and to encourage negotiated settlements of differences between them. We believe negotiated solutions are possible for even the most difficult and longstanding disputes on the continent. We are ready to lend whatever support we can to those efforts in Africa and to give them the highest priority. In this view, we believe that Africa's capacity for collective security deserves our help. We will, when asked, support multinational peacekeeping forces that Africa creates in its own defense. The record of the United States in support of the OAU peacekeeping role in Chad is the most recent illustration of the importance we attach to regional security. We want African nations to be able to defend their interests and resolve their problems without foreign intervention.

Response to Economic Crisis

Real security, and with it the confidence that can enhance prospects for peace, cannot be achieved without sustained economic growth. During my travels, I have seen Africa's most serious economic crisis in more than 40 years. Because African countries are often dependent on one or two export commodities—and because they have borrowed heavily to spur growth and meet the costs of higher oil prices—they have been vulnerable to commodity fluctuations, high interest rates, and to the impact of world recession. There has been a long, slow decline in per capita food production, population has increased rapidly, and balanced growth has not occurred. Many nations have experimented with subsidies, centralized economic direction, and extensive public ownership of industry and commerce. Those strategies have proved costly.

The present state of the global economy is not of Africa's making. In the world economic system, the United States has a special responsibility not only to put its own house in order but to help rekindle growth in other lands. We are deeply committed to that task, and to achieve it the American people are making real sacrifices. We are confident that when we are successful Africa will benefit quickly and significantly.

At the most fundamental level, we will remain concerned about those im-



Vice President Bush tours a Del Monte plant at Kenya Cannery.

periled by strife and starvation. We have taken the lead both in mobilizing international relief efforts to help African refugees and in providing emergency assistance. In the past 2 years the United States has provided Africa \$187 million for such programs. But we are equally concerned about the underlying problems which produce refugees and other forms of human misery.

As we all look at these problems, we can see that the next few years in Africa will be critical. The current economic situation is forcing austerity on all African nations. It points to the need for reexamination of economic strategies and national economic policies. It would be a mistake to view this period as only a temporary phenomenon and to believe that as the world recession begins to ease, Africa will be able to resume an easy path of growth and diversity. On the contrary, in the current situation many fundamental decisions must be made about the future of African development, about the priorities of agriculture and other sectors, and about the degree of sacrifice that should be demanded of the various elements of the population. How these decisions are made will affect the future of African development for decades to come.

We in the United States admit that there are serious differences among experts over the best path to development. We believe that there should be a full exchange among all those involved in African development. We must reach a common agreement regarding the kinds of programs which must be developed, financed, and mobilized. Discipline and self-reliance are necessary. Courageous leadership is necessary. Now is the time for fresh thinking, an eschewing of old ideologies that have not passed the test of experience.

We are prepared to help give African governments the wherewithal and the international political and financial backing to take the steps where necessary to restructure their economies.

During the past 2 years, a growing number of African countries have applied to the International Monetary Fund (IMF) for assistance in meeting immediate balance-of-payments crises. This has led to difficult adjustments in exchange rates, budgets, and other aspects of economic policy.

Recognizing the fundamental nature of the development crisis, we have encouraged a more comprehensive approach by both donors and multilateral

agencies in Africa. We have urged that reform be supported with short-term foreign exchange and development assistance adequate to fuel the recovery process. We are fully aware of the importance of debt in this equation. Where countries are making serious efforts to restructure their economies, relief from heavy debt must be part of the foreign exchange program. For our part, we are committed to participating in the difficult process of recovery.

The United States, despite the fact that its resources are under special strain in this time of economic adversity, still remains committed to Africa's stabilization and growth. Our bilateral economic aid for all of Africa now totals approximately \$800 million a year and extends to 46 countries throughout Africa. It encompasses a variety of programs, including fast-disbursing balance-of-payments support, food aid, and development assistance. Including the U.S. contribution to multilateral programs, our total economic aid to sub-Saharan Africa is in excess of \$1.4 billion annually. Of the multilateral portion, the largest share by far—almost \$300 million per year—goes to the soft loan programs of the World Bank's International Development Association.

The Reagan Administration has placed a new emphasis on the role of private enterprise in development. In Africa, as elsewhere, we define "private sector" broadly to include small businesses and farmers, as well as large corporations. Our aid planners are seeking new ways to help develop market institutions and more effective incentives for farmers. Wherever possible, we are encouraging mutually beneficial partnerships between large and small American companies and their African counterparts. The recent enactment of export

trading legislation supported by President Reagan will make it possible for small and medium-size U.S. firms to pool expenses and thereby play a more active economic role in Africa.

The economic task that you and we face is enormous. But it is far from impossible if we all work together in a wise and understanding partnership. The exact nature of that cooperation will be as varied as the countries of Africa, but it will have some common elements. We, the industrialized countries, must help Africans manage their debt burden so that private credit, which is so essential to growth, can resume and increase. We must support successful economic policies at both the national and regional levels. We must seek greater coordination among Africa's friends who wish to finance development. The importance of Africa's economic future demands that we do no less.

As we all look to the future and decide how Africa and the United States can work together, the agenda of issues we face is long. It includes essential issues of security, peacemaking, human rights, and economic progress. It calls for advancing the frontiers of freedom.

The United States is a friend which respects your potential and shares your commitment to maintaining the hard-won prize of freedom. With respect to that freedom, our nations are equals which must be prepared to work together, making sacrifices and taking tough decisions at the same time. Each of us has a share of the burden to carry; each has a contribution to make. All have a better future to gain. This is the meaning of a true partnership.

ZAIRE

Luncheon Toast

Kinshasa
Nov. 22, 1982⁵

I am delighted to be here in Zaire. Let me thank you first, Mr. President, and the Zairian people for the warmth of your welcome and for the hospitality and generosity for which Zaire is so justly famous.

My visit to Zaire is only one symbol of the long and close relationship which our two nations have enjoyed over the past 22 years. It is a relationship of mutual respect and confidence. And, as such, we believe it to be one which is solid and lasting.

As two nations which are friends, two peoples who have come to know each other in so many ways over the years, we have stood side by side in times of difficulty. We have enjoyed cooperative relations in many areas.

The United States is proud to have been able to assist this great and important nation of Africa in various ways. We have played a significant role in insuring Zaire's security and stability since shortly after your independence. We are continuing our efforts in this respect today.

We will continue to assist in the development of the substantial resources to stimulate the agricultural potential of this country and to improve the health services of the population. American private industry has invested in Zaire and in so doing has created jobs and helped develop the industrial sector.

Our cultural and educational exchanges have encircled both our countries as Americans have become more aware of and knowledgeable about Zaire, and Zairians have been able to benefit from the best aspects of our culture and society. I note with satisfaction that in the last generation literally thousands of Zairian citizens have studied in the United States and returned to Zaire to work for the betterment of their country.

As thousands of Zairians have gone to the United States and returned here

THE VICE PRESIDENT



Arrival ceremony at the People's Palace with President Mobutu Sese Seko.

to work in Zaire, thousands of our citizens have lived and worked in Zaire as members of the Peace Corps. The Peace Corps program here is one of the largest in the world and one of the most effective means of strengthening the bonds between the United States and Zaire.

The bonds which unite us are deep and multifaceted, and I assure you that we in the United States, from President Reagan on down, wish and, indeed, expect that these close ties and relations will continue and increase between our two Presidents, between our two governments, and, most importantly, between our two peoples. We want to be a partner in your national effort to develop the enormous human and natural resources that are Zaire's for the benefit of all Zairians.

This is my second visit to Zaire, and

it is certainly not my first encounter with Zairians from many walks of life whom I have met. I have come to appreciate the dynamism that is so characteristic of Zaire and Zairians and to respect your dedication to fairness and reason in international fora.

I have come to admire, Mr. President, your personal courage and leadership in Africa; most recently, for example, by seeking a peaceful solution to the problems in Chad; in reestablishing relations with Israel and in hosting a most successful and well-organized Franco-American summit, bringing together a large number of African leaders in the spirit of dialogue and cooperation which is Africa's—and the world's—greatest hope for peace.

I, therefore, ask you to raise your glasses to the continued health and welfare of President Mobutu and of President Reagan and to the continued excellent relations between our two governments and our two great peoples.

Zaire—A Profile

Geography

Area: 905,063 sq. mi. (about the size of the U.S. east of the Mississippi River). **Capital:** Kinshasa (pop. 3 million).

People

Population: 27.1 million (1980 est.). **Ethnic Groups:** Bantu tribes (80%), more than 200 African tribal groups in all. **Religions:** Roman Catholic and Protestant (50%), Kimbanguist, other syncretic sects, traditional religions. **Languages:** French, Lingala, Swahili and Kingwana, Kikongo, Tshiluba.

Government

Type: Republic with strong presidential authority. **Independence:** June 30, 1960. **Constitution:** June 24, 1967 (amended Aug. 15, 1974; revised 1978). **Branches:** The Popular Movement of the Revolution (MPR) is the sole legal political institution; its component organs include the Office of the Party President, a Central Committee, the Political Bureau, the Party Congress (meeting every 5 yrs.), the Executive Council (Council of Ministers), the unicameral Legislative Council, and the Judicial Council. The President of the Party is automatically President of Zaire.

Economy

GDP (1978, constant 1970 prices): \$1.9 billion. **Per Capita Income:** \$128 (1977). **Natural Resources:** Copper, cobalt, zinc, industrial and gem diamonds, manganese, tin, gold, columbium-tantalum, rare metals, bauxite, iron, coal, 13% of the world's hydroelectric potential. **Agricultural Products:** Coffee, palm oil, rubber, tea, cotton, cocoa, manioc, bananas, plantains, corn, rice, vegetables, fruits, sugar. **Industries:** Processed and unprocessed minerals, consumer products (textiles, footwear, and cigarettes), processed foods and beverages, cement. **Trade:** *Exports*—\$1.9 billion (1979): cobalt, copper, diamonds, gold, coffee, manganese, wood. *Imports*—\$1.5 billion (1979): crude petroleum and petroleum products, food, textiles, heavy equipment. *Major Trading Partners*—Belgium, Luxembourg, France, U.S., U.K., F.R.G.

Taken from the *Background Notes* (July 1981), published by the Bureau of Public Affairs, Department of State. Editor: Joanne Reppert Reams.

THE VICE PRESIDENT

BERMUDA

Arrival Statement

Hamilton
Nov. 23, 1982

We are delighted to be here in Bermuda where the beauty of the islands is exceeded only by the hospitality of the people. I look forward to my meetings tomorrow with the government's leaders to discuss matters of mutual interest and concern.

Bermuda and the United States have enjoyed a long and friendly relationship. This association dates from the earliest Colonies in Virginia and the original habitation of this strategic island. Because of the geographic proximity of our shores, we have had regular and continuous contact between our citizens. These contacts have been at every social level, including economic, political, educational, and commercial.

The United States looks forward to continued good relations with Bermuda. You have been so hospitable to all Americans, whether they be military, business, or vacation visitors.

We also understand the adverse impact our economic problems have had on



Vice President Bush meets with Premier John Swan.

the economy of Bermuda. We are striving to correct these problems and reduce the hardship to our own people, as well as our good neighbors and friends like Bermuda.

I bring warm greetings to the people of Bermuda from President and Mrs. Reagan. And, on behalf of all the American people, I wish to express our friendship and regard to all Bermudians.

¹Texts from the Vice President's Office of the Press Secretary.

²Made at a dinner hosted by Prime Minister Habib Thiam.

³Made at a dinner hosted by Prime Minister Robert G. Mugabe.

⁴Made at a luncheon hosted by the Secretary General of the Central Committee of the United National Independence Party, Humphrey Mulemba.

⁵Made at a luncheon hosted by President Mobutu. ■

Bermuda—A Profile

Geography

Area: 20.6 sq. mi. **Capital:** Hamilton (pop. 1,517).

People

Population: 54,893 (1980 census). **Ethnic Groups:** Black (61%), white (39%). **Religions:** Anglican (37%), other Protestant (19%), Roman Catholic (14%), others including Black Muslim (30%). **Language:** English.

Government

Type: Parliamentary British Colony with internal self-government since 1620. **Constitution:** June 8, 1968; amended 1979. **Branches:** *Executive*—Queen Elizabeth II (chief of state represented by a governor). *Legislative*—bicameral assembly. *Judicial*—Supreme Court. **Political Parties:** United Bermuda Party (UBP), Progressive Labor Party (PLP).

Economy

GDP: \$596 million (FY 1979–80). **Per Capita GDP:** \$10,900. **Natural Resources:** Limestone (used primarily for concrete blocks). **Agricultural Products:** Semitropical produce, dairy products, flowers. **Industries:** Tourism, finance, structural concrete products, paints, perfumes, furniture. **Trade (1979):** *Exports*—\$30 million: mostly reexports of drugs and bunker fuel. *Imports*—\$234 million: fuel, foodstuffs, machinery. **Major Trading Partners**—U.S., U.K., Canada.

Taken from the *Background Notes* (Feb. 1981), published by the Bureau of Public Affairs, Department of State. Editor: Joanne Reppert Reams. ■

Itinerary

November 10—Depart Washington, D.C.
November 10—Sal, Cape Verde
November 10–12—Dakar, Senegal
November 12–13—Lagos, Nigeria
(November 14–15—Moscow, U.S.S.R.)
November 16–18—Harare, Zimbabwe
November 18–19—Lusaka, Zambia
November 19–21—Nairobi, Kenya
November 21–23—Kinshasa, Zaire
November 23—Sal, Cape Verde
November 23–24—Hamilton, Bermuda
November 24—Arrive Washington, D.C. ■

Vice President Bush Attends Caribbean Conference

Vice President Bush attended the sixth annual conference on the Caribbean and met with leaders of the Caribbean Basin countries in Miami on December 5, 1982. Following is his address before that conference.

First of all, I want to say how glad I am to see so many friends gathered together for this sixth annual conference on the Caribbean. I want to express my own thanks, as well as the appreciation of the President and the entire Administration, for the efforts of Caribbean-Central American Action, the Coalition, and for all of your individual efforts on behalf of the President's Caribbean Basin initiative.

It's gratifying to see so many leaders from among our Caribbean neighbors gathered together and participating in this conference. I have had the great pleasure to meet with many Caribbean leaders in Washington—Prime Minister Seaga, Prime Minister Compton, President Jorge Blanco, Prime Minister Price, and Vice President Faint. And now this conference has provided an opportunity to renew some of these acquaintances as well as to meet other leaders—Prime Minister Pindling, Prime Minister Adams, and Prime Minister Charles—for the first time.

My conversations during the first 2 years of this Administration with these and other leaders from the Caribbean Basin countries have been greatly encouraging. I've also been deeply impressed with their commitment and hard work in strengthening democracy in the region, in striving for a better way of life for their people. You deserve our respect, our admiration, and our congratulations.

In all of my meetings with Caribbean leaders, one consistent theme has always stood out—and that is the urgent need for help in relieving the difficult economic circumstances that Caribbean Basin countries face. Every single leader from this region that I have met has emphasized the urgent need for the United States to complete action on the Caribbean Basin initiative.

I have passed these appeals along to the President. I know that he has received similar messages from the region's leaders.

Incidentally, the President and I aren't the only ones who've been impressed. At our request, Congressman Dan Rostenkowski traveled to the region, met with the leaders, saw firsthand the impact the Caribbean Basin initiative will have on the people of this area. He came back a believer and promised his support for this legislation. And we appreciate it.

So let me assure you that not only the President and I but all the members of this Administration are fully impressed with the urgency of getting all of the Caribbean Basin initiative legislation passed in Congress. I know this because the President said so quite plainly—in his speech in Bogota, Colombia, Friday and again just yesterday in San Jose, Costa Rica and in his national radio broadcast to the American people.

We are pleased the Congress has provided the \$350 million in emergency supplemental financial assistance that we requested for the Caribbean Basin initiative for this year. This aid is now

\$10 million—as well as with the eastern Caribbean for \$20 million. The passage last September of this element of the program was very important and very welcome since it was the one element of the Caribbean Basin initiative of greatest immediate need. The private sector in the Caribbean Basin was being strangled by the lack of foreign exchange for raw materials and spare parts. This aid will allow small- and medium-sized businesses to resume production, cutting into the horrendous unemployment rates of many of these countries.

Still, this emergency aid program is only a partial solution. It has to be complemented by long-term incentives. The one-way free trade area and investment portions of the program will provide the needed long-term incentives for new investment to promote self-sustaining growth. We need to enact these elements of the Caribbean Basin initiative if we are to consolidate and build on the short-term help we have given so far. And that's why I've come to talk to you tonight.

I want you to know that the President and I and every member of this Administration will do everything in our

We want to see democratic nations with strong economies, nations able to stand on their feet, able to provide productive outlets for the talents of their people, able to resist outside interference which takes advantage of poverty and unemployment to create unrest.

being disbursed, helping countries cope with their short-term, balance-of-payments problems. We have already signed agreements with four countries—El Salvador for \$75 million, Jamaica for \$50 million, the Dominican Republic for \$41 million, and Honduras for \$35 million. We are moving quickly to complete agreements with four other countries—Costa Rica for \$70 million and Belize, Guatemala, and Haiti each for

power to make sure that Congress enacts the remainder of the Caribbean Basin initiative legislation in this term. That's a pretty strong statement. And time is short. Obstacles still remain. But the Presidency is not without resources. And let me say this: In the event we are not successful, and time runs out in this short special session, we'll be coming

back to the new Congress next year to get this legislation through.

Those who don't feel so strongly about his initiative as you do could well ask, why do we want this legislation so badly? Is it just to be philanthropic—just to promote economic development that will benefit our neighboring countries?

That's a part—but just a part—of the answer. True, the many Caribbean leaders with whom I have met with over the last 2 years have impressed on me how much this initiative will benefit their peoples. I have heard a great deal about the plight the countries of the Caribbean Basin face, caught between the rising prices of oil and needed imports and dwindling prices for most of their exports. I know about the balance-of-payments problems, about the credit crunches that these conditions produce—problems that translate directly and harshly into unemployment and poverty.

In some Caribbean countries, these unemployment rates approach a horrendous 40%. The ambitions of these leaders are to create jobs for their people—not just unskilled jobs in traditional occupations but modern, productive, industrial jobs: jobs in export industries that contribute to economic growth, jobs that offer a better future.

There are things that we want for our neighbors. We want to see democratic nations with strong economies, nations able to stand on their own feet, able to provide productive outlets for the talents of their people, able to resist outside interference which takes advantage of poverty and unemployment to create unrest.

Those are the kinds of economies that we, and you, want to see in the Caribbean. This is quite a contrast to the alternative, if, indeed, what the Cubans have managed to accomplish in more than 20 years can even be called an alternative.

When we look at Cuba and at what is happening in Nicaragua and Grenada, what do we see? We see economically weak, militarized, repressive countries; expensive, semicolonial dependencies—dependencies like Cuba that cost their Soviet sponsors \$9 million per day—dependencies severely tied—on a very short leash—to their Soviet sponsor and useful principally for creating mischief among their neighbors in the region.

The combined gross national product of all of the countries of the Caribbean

Basin totals less than 2% of our gross national product. Our imports from the Caribbean Basin are less than 4% of our total imports. It is hard to image that, given these disparities, even the spectacular economic growth that we wish on our Caribbean neighbors would impair our own economic welfare.

But let's face it. It would be unrealistic to say that we're supporting the Caribbean Basin initiative so strongly solely out of an altruistic impulse. The Caribbean initiative is good for us too. Our partners in this initiative—Mexico, Venezuela, Canada, and Colombia—recognize that the Caribbean Basin initiative serves their interests as well. I think this fact has been too often overlooked in all the pulling and hauling over the exclusion of this product or that from the free trade area legislation

Fifty percent of our trade passes through the Caribbean. . . . The United States has no small interest in insuring that the governments in this region are stable and democratic.

or in the dickering over this or that provision of the investment incentive legislation. But my hope is that when our opponents in Congress carefully analyze how substantially the Caribbean Basin initiative benefits the United States, they'll move swiftly to join the growing bipartisan support for this legislation.

Think for a minute what these benefits are. The United States has an interest in seeing stable democratic governments among its neighbors—governments which gain their legitimacy by providing an outlet for differing political beliefs, as opposed to dictatorships. Fifty percent of our trade passes through the Caribbean—through strategic straits and passageways among these island nations and through the Panama Canal. The United States has

no small interest in insuring that the governments in this region are stable and democratic.

The United States also has an interest in potential Caribbean Basin markets for American exports—exports which can only be purchased if our neighbors' economies are strong. In these times of increasing competitiveness among the world's trading nations, our interest in economically viable markets in the Caribbean Basin could not be greater. The Caribbean Basin initiative will help create the kind of economic expansion in the region that will provide larger markets close to home for our industries.

We want to maintain a favorable climate for foreign investment in the Caribbean region—not merely to protect the existing U.S. investment there but to encourage new investment opportunities in stable, democratic, free, market-oriented countries close to our shores. The Caribbean Basin initiative will not only provide direct incentives for this investment but encourage follow-on investment.

Another U.S. interest—and one with particular relevance for me as head of the President's Task Force in South Florida—is the problem of curtailing narcotics production and shipment through the Caribbean. We hope that our efforts to encourage stable, prosperous economies in the Caribbean region through the Caribbean Basin initiative may dampen the economic incentives for the production and export of narcotics to the United States and may encourage greater cooperation in fighting drug traffic.

Finally, the United States has an interest in alleviating large-scale migration in the Caribbean region. This is a problem that seized my attention in connection with the South Florida Task Force. I note that a conference on this is being held in conjunction with this meeting. We would prefer, Caribbean Basin leaders would prefer, and you would prefer to see the people of this region productively employed in their own domestic economies rather than being forced to these opportunities in other countries. The Caribbean Basin initiative will, in fact, create those same opportunities at home.

I think that all these are powerful reasons for the Congress to move forward on the Caribbean Basin initiative

legislation. All the more so in view of the fact that the legislation contains carefully balanced safeguards which protect those key U.S. commercial interests that might be affected by this initiative.

In closing, let me briefly mention one other aspect of the Caribbean Basin initiative that I think is of transcendent international importance; namely, its impact on the world trading system.

The United States and other major trading countries of the world just concluded last week the GATT [General Agreement on Tariffs and Trade] ministerial meeting in Geneva. Although some progress was made, the meeting, for the most part, treated the world to the spectacle of a major bloc of trading nations struggling to preserve, rather than remove, existing impediments to the free flow of goods and services. The United States believes strongly that free trade is the key to prosperity. We believe that protection destroys opportunities. Other countries may be content to talk about the virtues of free trade while doing little to actually improve it. But the United States is willing to put its commitment to free trade in action through the one-way free trade area proposal of the Caribbean Basin initiative. The success of our free trade area proposal will dramatically prove the following truth: that free trade is indispensable to world prosperity.

By now I'm pretty sure you know that I didn't come all the way to Miami to convince a group like you that we need the Caribbean Basin initiative. But I've said what I've said for a reason: to send a message to the Congress. It's perhaps an irony of a Vice President's life that if I give a speech in Washington, chances are it's not going to get much ink. Generally, I find that the further I travel from Washington, the more coverage I get. That being the case, probably I should have flown to Tierra del Fuego and given this speech there.

We still face obstacles with this legislation. We need this legislation. And to that end, we need your support, which we have always had in the past. So I'm confident, and encouraged, that we'll have it now when it's so especially vital. ■

News Conference of November 18

Secretary Shultz held a news conference at the Department of State on November 18, 1982.¹

Q. Now that there is a new leadership in the Soviet Union and you have met with the new leader, Yuriy Andropov, can you tell us what opportunities exist for improved U.S.-Soviet relations and discuss our strategy for dealing with Moscow in the post-Brezhnev era?

A. First, it's important to emphasize that we have had a policy with respect to the Soviet Union. That policy is in place and will continue in place. The policy is, first, to be realistic about what is going on both in terms of military capacity, its use, the human rights aspects of the situation, and other things. Second, to be fully alert to the importance of our own strength and the strength of our alliance in the face of Soviet behavior. Third, to be willing, always, to work on problems and to try to work them out and to solve problems. The United States has always been in the forefront as part of the solution in the many problems that we have around the world. And we know, finally, that if problems can be solved, there are opportunities for a better world.

The President, with the emergence of new leadership in the Soviet Union, has made a number of statements emphasizing the third point in that set of points. But we have to remember that the whole set of points are there. We stand ready to solve problems, work on them, but we also continue to be realistic, to regard the things that represent solutions of problems—not to be simply rhetoric—but to be deeds. That will be our posture.

Q. What would you regard as a meaningful signal from the new leadership in the Kremlin—a meaningful signal in the direction of easing relations?

A. I hear this word "signal" all the time. It goes from little things that affect the way you're treated, and I might say that the Vice President and I, and Ambassador [U.S. Ambassador to the Soviet Union Arthur A.] Hartman were treated with great courtesy throughout

our visit to the Soviet Union. People say that's a signal, and perhaps it is. But the things that we are really looking for, after all the signaling has taken place, is the substance of change in behavior on important matters.

Now, we are engaged in an active negotiation for arms reduction in Geneva and in Vienna. We are engaged, with our European Allies, the Soviet Union, and others, in active discussions in Madrid. Those are two settings, or three settings, where discussions are going on right now and where we would welcome movement.

Those are, in a sense, the things that we want to see happen. Signals are fine, and indications that people are ready to sit down and talk seriously are fine. We have given those signals ourselves. As we move ahead, we will look for substantive responses.

Q. Would you expect to see within the foreseeable future another—are you talking about meetings and sitting down, would you expect to see any kind of summit meeting?

A. The President has always been ready for a summit meeting if there is something worthwhile to be accomplished by the meeting. A meeting for the sake of a meeting doesn't really get you a lot. There does have to be a prospect of some genuine, positive result. That has been the President's position, and it remains so now.

Q. Could you specifically outline what steps the United States expects the Soviet Union to take in the forums you just mentioned or elsewhere before improved relations can occur and what specific steps the United States is prepared to take to improve relations.

A. As far as the details of steps are concerned, we'll conduct our negotiations in those fora rather than this way. But, obviously, if you are engaged in a negotiation, the process of give-and-take is something that you look for and sense. We would be looking for those signs and that kind of movement, but I don't want to try to specify any explicit point.

Q. A number of Soviet spokesmen this past week have argued that the

United States is using trade as a political weapon. Do you believe that the United States has been doing this; do you believe that the United States sees trade as part of a larger political picture, and can you see trade possibly being divorced from politics?

A. We must think of our relationships with the Soviet Union—all of their dimensions, and while they aren't linked in any kind of tight way, certainly, they are related to each other. We have made that point. The pipeline sanctions, in a way, made that point—the political dimension of an economic relationship. In our discussions with our friends in Europe and Japan, we have also been working with them on that very point to see if we can develop—and I believe we can, and we are well on our way to doing so—a better sense of strategy for our economic relationships with the Soviet Union and its satellites.

That doesn't mean that all trade is subject to this kind of examination, but in certain critical categories and aspects, we believe that it must be.

Q. This month you're going with President Reagan to an area full of financial problems and crises. I was wondering what you had in mind that could alleviate the situation of those countries once you have left them?

A. That area of South America and Central America is not only full of problems like most places in the world are, but it is full of opportunities, full of people, and it is our neighborhood. I'm sure that what the President will want to underline and support, as he travels through those countries, is the support we give to the idea of democracy, of freely elected governments, our support for economic development. As you know, we have been trying to be helpful and have been helpful in some of these financial difficulties, and, of course, in the area of peace and security in which we have been working very hard.

I think it is notable that our hemisphere, as compared with other parts of the world, has been peaceful over a long period of time, and that's been a very important and helpful factor in the development of the United States and in the development of other countries in our hemisphere. It is something very important and very worthwhile which we want to continue to support.

Q. Very few American officials have had a chance to meet the new Soviet leader, Mr. Andropov, as you

have. There are stories that he likes American food, American music, Chubby Checker records, that he speaks English; can you give us a little bit of your reaction to the man? [Laughter]

A. There were Soviet soft drinks and Soviet food on the table where we sat. If he likes another kind of food, I can't say anything about that. There was no evidence of the things that you mentioned in the course of the meeting that we had.

What impact he will have as a leader of the Soviet peoples is something that, of course, we are very interested in and watching, and that remains to be seen.

Q. How did he strike you? Did he strike you as a man who had taken charge?

A. Yes.

Q. At your last press conference, you referred to your high regard for Henry Kissinger, the former Secretary of State. I'm wondering if this has been at all changed.

A. I haven't changed my mind.

Q. There have been some revelations coming out in the Italian courts that have been reported all over the Italian press quoting Aldo Moro's closest friend, Mr. Guerzoni, who has stated that before the abduction and assassination of Mr. Moro, Henry Kissinger directly threatened him, and that Mr. Moro was in fear for his safety because of those threats from Kissinger.

A. I don't have any comment on what you've just said except to reaffirm that I consider Henry Kissinger one of our great Americans, a man of tremendous intellect and understanding. I feel privileged to call him a friend, and he has been unstinting in his willingness to be helpful to me, has come in and has talked to me, free with his ideas and advice. I'm grateful to him for that.

Q. To what degree is economic aid to Israel linked to the settlements policy of the Government of Israel?

A. There hasn't been any link made. We have been very clear from the beginning that we think the settlements and the expansion of them are not constructive at all, not a contribution to the peace process. The President has been very clear in opposing them, just as some of the conditions on the West Bank are certainly not a constructive contribution to the peace process.

I suppose I speak about it, in part, because I am fundamentally a university man, and the idea of asking people who come to teach and work in a university setting, which is, after all, a setting where we expect to have freedom of thought and to encourage freedom of thought, signing oaths is just not the way to go about it. Those are some things that are going on that we think are just not constructive.

Q. Will you counsel the President to trim the growth of defense spending as a way to ease some of your diplomatic problems with both the Europeans and the Soviet Union?

A. Certainly not. It is essential that we maintain the strength of our defense posture. That, of course, means that we need to examine the defense budget. It doesn't need to have unnecessary spending and all of that, but it is essential that we maintain the strength in our defense posture that the President has put there.

Q. Could you give us some assessment of the recent diplomatic contacts between the Soviet Union and China?

A. These developments have been taking place. We've been watching them and reading about them. I'm not privy to them, of course—don't know just what is taking place.

I do know some of the concerns the Chinese have. They are concerned about the Soviet presence in Afghanistan and have said so; they are concerned about the behavior of the Soviet proxy states Vietnam and Kampuchea. So, if through their discussions they can persuade the Soviet Union to get out of Afghanistan and, in effect, get out of Kampuchea, so much the better.

Q. In an earlier question, you seemed to hold out some hope that at some point a summit might be arrangeable. Were you suggesting that now—just to tie it down—it is premature?

A. The discussion of a summit has kind of emerged out of thin air, as far as I can see. There has been no direct discussion with the Soviet Union representatives that I know of. It didn't come up in my discussion with Mr. [Soviet Foreign Minister Andrei] Gromyko in New York, whenever that was, a couple of months or so ago; and it didn't come up in the meeting the Vice President had with Mr. Andropov.

That doesn't rule it out; it doesn't rule it in. It is exactly where I said it was. If there is something constructive

THE SECRETARY

and positive to be accomplished, the President is always willing, but he is not looking for a trip or a meeting for the sake of a trip or a meeting.

Q. Does that same criterion apply to your own meetings with Mr. Gromoyko, and do you have any such meetings planned in the near future?

A. We don't have a meeting planned in the near future, but it is always conceivable that one might take place.

Q. Do you see the possibility that freer trade with the United States might be an inducement to the Soviet Union to behave in a way that you would like them to, as previous administrations have offered?

A. I don't think it is worthwhile to think of things on a kind of a one-for-one basis like that. You have to think of the whole relationship, which is complicated and interrelated, and there are many important dimensions to it. We can all spell out what those are, and the potential of trade is one of them, but only one.

Q. Both the United States and the Soviet Union seem to be exchanging what you might describe as conciliatory "mood music," each side waiting for the other to take specific steps. How long can just the mood music last?

A. We'll have to see what takes place. I was at the funeral, standing on Red Square for 2½ hours, watching what was taking place. Of course, there is the "mood music" that everybody seems to have focused on, namely the statements that the President has made and like statements made on the other side.

There was other "mood music." It was quite startling. I don't know how many of you watched the funeral on television, but after the body of Mr. Brezhnev was put in the ground and the members of the Politburo came up on top of the structure where they stand, it was as though somebody threw a switch, and suddenly martial music and a long march-by of troops. That was "mood music," too, I thought.

There are all of these dimensions, and we must remember the military strength that they have, and remember not to, in any way, allow what you, perhaps, properly call "mood music" to delude us or take us away from our own convictions that we must do what is necessary for our own defense.

Q. In your discussions, what discussion was there of the Reagan

Administration proposals for Middle East peace? Was there any discussion at all of Soviet Jewish emigration?

A. I don't want to discuss the internal content of the discussion the Vice President and the Secretary-General of the Soviet Union had.

Was the topic raised at all?

A. I said I don't want to discuss the content of the discussion. These topics have been discussed a lot in other fora, and generally speaking, we always raise, particularly, the human rights concerns in any discussion that we have with a Soviet official. I don't want to say more than that.

Q. A moment ago, you expressed special concern about the professors on the West Bank who have been asked to sign a pledge against the PLO or leave. Do you have any realistic expectation that the United States, in consultation with Israel, can bring about a reversal of that action?

A. We should speak unequivocally about it, and people in the intellectual community particularly who have been through this—you remember, we had the episode of the loyalty oath, maybe some of you are too young to remember those days, but I remember them—ought to speak up, including people in universities in Israel. It's the same problem. It's a problem of freedom—freedom of thought.

Q. There are some reports coming out of the Middle East now that the PLO is looking for mutual recognition with Israel and for the United States to accept a role for the PLO in the peace process, either independent or within an Arab delegation. Do you think the mutual recognition is a step forward from the PLO? And will the United States support a PLO seat in the negotiation process?

A. The U.S. position has been made clear many times by President Reagan in his recent press statement and also in direct private discussions with many people, and it remains the same. The United States will not have direct discussions with leaders of the PLO until they recognize the right of Israel to exist and recognize U.N. Security Council resolutions as the basis for negotiations. As far as Israel's attitude toward the PLO is concerned, I'm not speaking for Israel. Israel speaks for itself.

Q. I wonder if you could give us your assessment of the current efforts

to get foreign forces out of Lebanon and let us know if it's any longer realistic to expect that this could be accomplished before the end of this year?

A. We continue to work and want to see the prompt withdrawal of all foreign forces. The process of discussing and trying to work out an operational plan has been getting a lot of attention. It's worked at. It is not going quite as fast as we would like but, nevertheless, there has been a great deal of discussion there, and that sort of the state of play has been pretty well mapped out.

We continue to press for, as rapidly as possible, removal of all foreign forces from Lebanon consistent with the emergence of Lebanon as a country that can take control of itself, and can do that on the basis of a reconciliation of the various religious groups there and become a country again with an ability to rule itself. Those are the things that we continue to work for, and I suppose I just have to say, "It ain't easy," but we're working at it.

Q. Isn't it your impression that one of the problems is the Israeli desire to have a political component to the resolution of the problem. What is the American position on that?

A. Originally, there was the idea of a peace treaty. Our position on that is that the peace treaties between Israel and her neighbors, we think, are very desirable. That's what the peace process is all about.

On the other hand, the peace treaty, to mean anything, has to be undertaken voluntarily by a country that's had a chance to form itself and develop a consensus within the country that that is what it wants to do. Our position is that it is quite premature to be pressing Lebanon for such a treaty or for things that are equivalent, or the near equivalent, of such a treaty; that it's just not a realistic position.

Having said that, I'll go back to my original statement that, in our opinion, a state of peace and normal relationships among all of the countries in the Middle East is a very desirable thing; and, as I said, that's what the peace process is all about.

Q. How much input are you having in determining the President's domestic economic policy, and are you urging him to change that policy in any way?

A. I have been present at a number of the discussions of the budget, and those, of course, have been focusing on what the dimensions of the budget problem are and what kind of actions can be taken to deal with that problem.

All of that said in the context of what it is we're trying to achieve, both in the long-term structurally and in the nearer term, in terms of the economy. Obviously, what we want and what the President wants—has wanted, continues to want—is an economy that will have real expansion with inflation remaining under control, and with the right kind of proportion of savings and investment so that we can see productivity advance. That is our policy, and I support it.

Q. Did you recommend to the President that he move the—is it your opinion that he should move the tax increase to January?

A. I don't comment on my advice to the President. What he decides to do about this whole economic package, he will think over, and when he's ready to announce his decision, he'll announce it, and I'll support him.

Q. In your discussion earlier of what specific steps the Soviets could take, you discussed the two arms control negotiations in Geneva, the MBFR [mutual and balanced force reductions] talks in Vienna, and the CSCE [Conference on Security and Cooperation in Europe] Conference in Madrid. You didn't mention the regional issues which, in the past, you've put on your kind of hope list.

A. They're on my list of things that we're concerned about. It's my concern list. But we don't have any talks going on with them about Afghanistan, for example. We don't have any direct talks going on other than the conversations that we have had with their leadership, but there's no sort of negotiation as in the case of Geneva. That's why I didn't mention that.

Q. But would a Soviet withdrawal of some consequence from Afghanistan be a—I hate to use the word "signal"—but at least a sign that they're interested in a better relationship?

A. It would be a fact, and a fact that would be a piece of constructive behavior. If things like that occur, if you add them up, they would add up to opportunities for much improved relationships.

Q. If the Soviets were to reduce their troops along the Chinese frontier, would you regard that as a negative or a positive step?

A. That's a matter for the Chinese and the Russians to discuss, and I don't have any comment on that.

Q. You met last week with the Egyptian Foreign Minister. How do you see the deterioration of the relations between Egypt and Israel, and what is the United States doing to change this situation?

A. The relationship between Israel and Egypt, we think, could stand improvement. I think there are some signs that that may be possible, particularly if that can be put in the context of progress on other aspects of Middle East development, such as the emergence of a plan for the evacuation of foreign forces from Lebanon and movement in the peace process.

Q. When Khamal Hassan Ali talked to reporters last week, he said he thought the settlements problem on the West Bank was now looming so large that it was inhibiting some of the moderate Arab nations from joining the peace process. Is that also your view?

A. It is a major stumbling block, without a doubt, and, as I said earlier, I don't think it is constructive in any effort to move the peace process along. However, I do sense from my discussions with people from all the countries involved that the peace process is very much alive, and that there is a general recognition in the Middle East that peace is of vital importance.

It's clear to everybody. And somehow or another when there is such an important goal that people seek, want, and believe in, that in one way or another, if we keep after it, we will find a way to get there. But, as I said earlier, it's not easy.

Q. You talk often about getting people to sit down at the same table. Are you any closer to that? The Jordanians, for example?

A. How close is close? I would say we're working at it, and there's been a great deal of movement on the part of the Arab community on this subject, as was illustrated—or not illustrated, but was on display in the visit of King Hassan and the Prime Ministers that accompanied him. That is genuine progress.

Q. Do you expect that France will soon become a party to the allied agreement on East-West trade that's being worked out? What steps remain to be taken to accomplish that?

A. The thing for us to do right now is to stop arguing about whether or not we have an agreement and start carrying it out.

Q. Could you address again, in a formal way, the suggestion you made to the OAS [Organization of American States] yesterday that all the foreign military advisers in all of Central America and that those countries agree not to import major offensive weapons?

A. Certainly. My talk yesterday was not the first time that set of ideas has been floated out by the United States, and it has been getting increasing amounts of discussion. It's a very good position. It has a lot of appeal, and we keep talking about it. But it's one avenue; there are others to developing a greater sense of stability in Central America. Obviously, if we're going to have the economic development and the sense of personal security and humanity that we seek, then we want to see much more stability in that area than now exists, and that's what we have been working at.

Q. Is it your intention for this news conference to end, leaving us with the impression that the U.S. position is that the Soviets will have to make the first substantive move before there can be a real change in U.S.-Soviet relations?

A. We look for changes in behavior or indications of a willingness to discuss them. We have said we're willing to do so. If you look at the problems that are before us, on the whole, they're problems that they have created, and so a willingness to be less creative is what is called for here. But we're ready to get in and discuss and try to work things out in a careful, thoughtful way.

Q. Do you expect to conclude any agreements with Foreign Minister (Pieter Willem) Botha when you meet with him next week? And do you have any assessments to make on any changes in South African society?

A. No. I don't have any comment on that meeting. Obviously, we are looking at the South African situation as such, but also the problems involved in bringing about independence for Namibia and exploring the attitudes and views of South Africa on various dimensions of that. That problem is one that we have worked on very hard, and we want to continue pursuing it in every possible way that we can.

¹Press release 351. ■

Death of Soviet President Brezhnev

Following are a White House statement issued on the death of Soviet President Leonid I. Brezhnev; President Reagan's and Secretary Shultz's letters of condolences to Vasiliy Vasil'yevich, First Deputy Chairman of the Presidium of the Supreme Soviet of the U.S.S.R., and to Foreign Minister Andrei Gromyko, respectively; arrival and departure statements made in Moscow by Vice President Bush who headed the U.S. delegation to the memorial ceremonies; and a news conference given by Secretary Shultz who accompanied the Vice President.

WHITE HOUSE STATEMENT, NOV. 11, 1982²

The President is expressing his personal condolences to Mr. Kuznetsov, First Deputy Chairman of the Presidium of the Supreme Soviet of the U.S.S.R., on the death of Soviet President Brezhnev. A high-level delegation will represent the United States at the memorial ceremonies in Moscow.

As leader of the Soviet Union for nearly two decades, President Brezhnev was one of the world's most important figures. President Brezhnev played a very significant role in the shaping of U.S.-Soviet relations during his Presidency.

President Reagan is conveying to the Soviet Government the strong desire of the United States to continue to work for an improved relationship with the Soviet Union and to maintain an active dialogue between our societies on all important issues. The President looks forward to a constructive relationship with the new leadership of the Soviet Union.

PRESIDENT REAGAN'S LETTER, NOV. 11, 1982¹

Please accept my condolences on the death of President Leonid Il'ich Brezhnev. President Brezhnev was one of the world's most important figures for nearly two decades. May I ask you to convey our sympathies to the President's family.

I would also like to convey through you to the Soviet Government and people the strong desire of the United States to work toward an improved relationship with the

Soviet Union. I look forward to conducting relations with the new leadership in the Soviet Union with the aim of expanding the areas where our two nations can cooperate to mutual advantage.

Sincerely,

RONALD REAGAN

SECRETARY SHULTZ'S LETTER, NOV. 11, 1982²

Please accept my condolences on the death of President Leonid Il'ich Brezhnev. I can appreciate your sense of loss at the death of a colleague who played such a leading role in your nation and in relations between our two nations. We hope to continue efforts to improve these relations in the future, and I look forward to working with you toward this end.

Sincerely yours,

GEORGE SHULTZ

VICE PRESIDENT BUSH'S ARRIVAL STATEMENT, NOV. 14, 1982

On behalf of the President of the United States, I wish to express the condolences of the American people to the Soviet people on the death of President Leonid Il'ich Brezhnev. We wish to convey our deep sympathies to the late President's family.

Leonid Brezhnev was the leader of the Soviet Union for nearly two decades. He was a strong man, a fierce fighter for his deeply held convictions. Now, the enormous burdens and responsibilities of leadership will be passed on to others who will navigate the Soviet Union's ship of state in the years to come.

I have led this American delegation to Moscow on this solemn occasion to symbolize my nation's regard for the Soviet people at this moment of loss and to signify the desire of the United States to continue to work for positive relations between our two countries.

It is in this spirit of seriousness and hope that we have come to Moscow. We have come to declare to the Soviet leaders, to the Soviet people, and to the world, that the United States is devoted to the pursuit of peace and a reduction of global tensions. We seek a world of greater harmony, not only between the

two great superpowers, but for all nations. It is our fervent hope that today's massive expenditures for arms can be reduced and that the world's standard of living, especially for the impoverished, can be greatly improved.

In all of this we are realistic. Fears, suspicions, and distrust must be replaced by hope, by trust, by mutual cooperation. The barriers that now divide nations and regions can be dismantled and discarded. To accomplish these lofty goals we must look to strong men and women. Men and women of courage, patience, and perseverance. Fortunately, they are human characteristics that can and must be brought to the fore.

This spirit of hope, which I mentioned before, is with us all. As we pay our respects to a renowned leader, let us also take this occasion to give serious thought to the great and positive opportunities that are before us all.

VICE PRESIDENT BUSH'S DEPARTURE STATEMENT, NOV. 15, 1982³

We leave Moscow tonight having expressed to the peoples of the Soviet Union the condolences of the American people and President Reagan on the death of President Leonid Il'ich Brezhnev. I conveyed those same condolences and our personal respects to Mrs. Brezhnev last evening.

I want to thank both Soviet and U.S. officials for all their efforts, kindness, and hospitality on our behalf during this national period of mourning.

This afternoon, Secretary Shultz, Ambassador [Arthur A.] Hartman, and I met with General Secretary of the Central Committee of the Communist Party of the Soviet Union, Yuriy Andropov, and Foreign Minister Andrei Gromyko. At the meeting, the Soviets expressed appreciation for our presence and our expression of condolences. The meeting was frank, cordial, and substantive. It gave both sides the opportunity to exchange views on the state of their relations.

When I arrived yesterday, I said that we had come "in a spirit of seriousness and hope," to "declare to the Soviet leaders, to the Soviet people and to the world, that the United States is devoted to the pursuit of peace and a reduction of global tensions." We reaffirm, today, the spirit of President Reagan's letter of November 11, to First Deputy Chairman



Vice President Bush, Secretary Shultz, and Ambassador Hartman.

Kuznetsov, in which he wrote: "I would like to convey through you to the Soviet Government and people the strong desire of the United States to work toward an improved relationship with the Soviet Union." This is our purpose and our policy.

As we leave Moscow, we are well aware of the difficult problems that confront us. The challenges, while enormous, are far from insurmountable. The new leaders of the Soviet Union know that the United States, based on its strength and the continuity of its policy, is ready, as President Reagan stated, to conduct relations "with the aim of expanding the areas where our two nations can cooperate to mutual advantage."

Human rights, arms reductions, peaceful solutions to regional problems, in short, peace and freedom for all nations are the goals we seek. It is to these goals that we must dedicate

ourselves, and the achievements of these aims is the challenge our two great nations face.

This is the message we brought to the Soviet people and their leaders. We are hopeful that the Soviet leaders approach our common responsibilities in the same spirit. We, in the United States, will do our part to achieve the kind of constructive relations that can, indeed, move the world toward peace and prosperity.

SECRETARY SHULTZ'S NEWS CONFERENCE, NOV. 15, 1982⁴

Q. What should be understood by the high level of American representation at Mr. Brezhnev's funeral? Should it be taken in context with other events such as the end of the pipeline sanctions and Mr. Reagan's message to the effect that he would like to see

an improvement in relations after the transition period in the Soviet Union? What does your visit and Mr. Bush's visit here signify? Is it a signal?

A. Exactly what the President said. It is an expression, on the one hand, of our respect for a human being and condolences being expressed to President Brezhnev and the peoples of the Soviet Union. It is also an expression—also like the President said—that if constructive behavior emerges on the part of the Soviet Union, the United States is prepared to respond and is prepared for a more constructive relationship than we've had in past years.

Q. The Soviets have in one form or another been publicizing a rather long list of grievances as regards U.S. foreign policy even before October 27 but certainly since President Brezhnev's October 27 speech—are you bringing any sort of message from the U.S. Government, the President of

the United States, that there is room for conciliation, negotiation, change on both sides?

A. I can't really imagine why anyone would have grievances against our policies and our foreign policies. They are constructive. Our efforts are for problem-solving all around the world. We must, of course, maintain our strength—our strength in our defense capabilities, the strength of our economy, our will power. These are things which are present and at the same time, as we have demonstrated, all over the world, we have a constructive point of view—we are part of the solution, not part of the problem, and our message here is the same.

Q. How would you characterize Yuriy Andropov? I am wondering what this Administration thinks about him, personally, as a man.

A. I don't think it's useful for me to speculate about the nature of various Soviet personalities, including Mr. Andropov. I've never met him, so I think it's better to let that emerge.

Q. What do you feel are the possibilities for an improvement in U.S.-Soviet relations now that there is a change of leadership?

A. There is the same possibility that there has been. U.S. policy has been clear; it has not changed. It is a policy of realism, of strength, of willingness to work on problems together and the expectation if that can be done successfully, everyone will be better off as a result. That's been our policy. That is our policy, and we want to make it clear to the new Soviet leadership that that remains in place.

Q. Have you been offered any high-ranking meetings while you are here?

A. We have just arrived, and in my brief meeting with Ambassador Dobrynin in Washington, when I went to the Soviet Embassy to sign the book of condolences, we talked briefly about it. I simply said I would be here, the Vice President would—I wasn't sure of his precise schedule at the time—and that if it were possible to see people in the Soviet leadership we would like to do that. But we can also understand that it is a busy time and it might not be possible, so as of right now I know of no appointments.

Q. I believe your predecessor, Secretary Haig, referred to the Carter grain embargo as a blunder, and some

people now refer to the pipeline sanctions as blunder. Will you please comment on that?

A. I would only comment without connecting the two that we now have the basis for a broader strategic approach to our economic relationships with the Soviet Union and the emergence of a substantial agreement with our allies—one that has provided the occasion for the lifting of those sanctions. The sanctions, calling attention to the problem, have registered the President's very strong feeling that the events in Poland, in particular, are events that we must register ourselves beyond just talking about them, and at this point we are very pleased. Our allies have joined us; we have joined with them; it is a mutual thing to develop a broad economic strategy here.

Q. I wonder if I could ask you a question here which goes, it seems to me, to the heart of the relationship with this country. For about 21 months the Reagan Administration has done a variety of things, specifically, in the field of security—increasing the budget and so forth—to what the Soviets regard as tremendous proportions. They have been waiting for some time, and now they have cranked themselves up just before Mr. Brezhnev died to start to reciprocate?

Do you think that you and Mr. Bush, by coming here, have something concrete to tell these people? That something can be done to stop this vicious circle, or is there anything else you can say on this particular matter?

A. Obviously, something can be done to moderate behavior all around. I would say, first of all, your account of the sequence of things is not the way I see it—quite the reverse. The steady, relentless buildup of Soviet military capacity has in effect forced the United States, after quite a period of not pushing its defense establishment forward powerfully, to look to our defenses and our strength; I might say that I believe everybody knows that we have it. We have a tremendous economy, a very productive economy, so we are able to do that and sustain that. It is not a question of us suddenly increasing our efforts in this regard and the Soviets deciding that they better do so also. It is quite the reverse. Their efforts have been very strong and sustained. We

have had to raise our sights, we will continue to do so, and we will maintain the strength of our defenses. Now, I presume that everyone, not only ourselves, but our allies would prefer a world in which we do not have to spend so much of our efforts on purely military means. And if so, we are ready to work at that, as is evidenced by the President's arms reduction proposal.

Q. A top American diplomatic source said that we must try to be as forthcoming as possible with the Soviets now. Could you elaborate on that, other than what that means?

A. The Ambassador is here, and we will let him elaborate.

Ambassador Hartman. This is a collaborative operation here. We are talking to a new leadership here, and we are reiterating our position. It is very clear to the new leadership.

Secretary Shultz. I don't think the message is complicated. That is what makes it a good message. It is simple. And it is that we are realists. We will stay that way; we are strong, we will stay that way; we are constructive, we are ready to solve problems; we will continue ready to do so, ready to respond, and if that takes place then the world can be better for everyone.

Q. That means your happening to be here is not necessarily to carry a new message but to restate a standing message from the United States. You are not bringing anything new in the way of proposals from the Administration for easing the situation between us.

A. I think our basic policy is clear. We have sought to make it clear. The President has and we have emphasized, particularly right now, our readiness to work for a more constructive relationship than the one we have had in the recent past. You might say that is point three in the four-point list that I gave. All four points are there, I only sought to put a little emphasis on number three.

Q. Could you bring us up to date on the status of the two negotiations going on in Geneva on arms limitations issues.

A. I don't know that there is too much to be said there. They are going on. They are going on in a businesslike manner. The people who are conducting the negotiations are professionals—skillful people. We know that our negotiators are such, and they tell me that their estimate of the Soviet

negotiators is that they are professional, competent people who are businesslike in their approach, so the negotiations are going on. I don't think that I want to characterize them further.

Q. I think the real question is do you see any progress in these talks, or are they just at a stage where both sides are just exchanging positions without any give occurring on either side?

A. I think there is an intensive exchange of positions which I suppose in the process of explaining tends to develop them in more richness and detail, so that's where I will leave that.

Q. Can you explain the *quid pro quo* from the lifting of the pipeline sanctions? Apart from promising to make studies on East-West trade, it's not exactly clear what concrete commitments the West Europeans have taken in response to our lifting the sanctions.

A. We haven't conducted our discussions with the Europeans along that line at all. We haven't discussed these matters with the foreign ministers going back to the 37th U.N. [General Assembly] Session when I started with them. And while they were talking with me about it, and at the La Sapiniere meeting of the NATO Foreign Ministers—our efforts were to find the basis for a common strategic understanding of how we would conduct our economic relationships with the Soviet Union.

The general idea is that we're not looking for a trade war; however, we are looking to focus on certain aspects of trade and finance—aspects of trade that are related to the military capability of the Soviet Union, to the strategic posture of the Soviet Union, and in view of the huge expenditures that we and our allies are undertaking for our defense. The only reason we're undertaking them is that the level of defense effort in the Soviet Union is so great. In view of that, it makes no sense to subsidize the Soviet economy. So, based on those principles, we will work together to develop a strategy in the meantime. The COCOM [Coordinating Committee for Multilateral Security Export Controls] list is being examined and strengthened, and a stronger administrative capacity is being connected to it. An intensive study of energy alternatives will be undertaken.

In the meantime, in [inaudible]

Government involved have undertaken not to have any additional purchases of Soviet gas while people look around and reflect and see what the alternatives are. The agreement at Versailles to examine the flows of trade and finance will be implemented in an administrative capacity. There is renewed emphasis on working out export credit arrangements.

So, there are a whole series of things that are involved. Some are in the nature of immediate action; some are in the nature of a work program. In the long long run, well, of course, you cannot say what a work program will produce. It is always possible that it won't produce anything. My own estimate is that the effort to find a better strategic posture is likely to be a very productive and worthwhile effort in the long run.

Q. Does the change in leadership in the Soviet Union increase in any way your view of the possibility of a summit meeting?

A. Our attitude toward a summit meeting remains as being in favor of one if it is well prepared so that it is possible to imagine that something constructive might come out of it. The same would hold now with a new Soviet leadership. We will just have to see but, in principle, the President is willing to have such a meeting but only if it can be a constructive one and have a constructive outcome.

Q. A recent Soviet speech seems to say that the way to peace is through military might.

A. Soviet military might has been increasing. That is a description of their policy. We can speak about our own policy which is to be strong, to develop our strength, to see that it is based solidly on a very strong and productive economy. And, at the same time to say beyond that, if you want to try to work toward a world that is less tense, that has more constructive possibilities in it, that includes the possibilities of reductions in armaments, we are prepared to do so.

Q. Is it present U.S. policy to encourage American trade with the Soviets, and will you please comment on the visit this week of hundreds of American businessmen to Moscow?

A. The fact that the U.S. delegation coming to Moscow—as large as it is and, I might say, as distinguished as it

is—there are some very important and strong business leaders included in that delegation—is an indication of the fundamental interest and goodwill of the American people. In a sense, that complements the message that President Reagan enunciated in his various statements which have been quoted here—that we are ready to work with the Soviet Union if the circumstances are right.

The fact of the matter is that the circumstances have not been right; they have not been conducive to the eruption of trade, particularly, but along the lines of the answers to various questions here, if the circumstances change, the fact that so many high-level businessmen are coming suggests the interest and the potential for a response. When people come here, that is not trade, that is an exhibition of a willingness to trade. For an actual trade to take place, it requires a lot more. I might say that there is an interesting closing of the circle here. I believe that the last time I was in Moscow in 1973—almost 10 years ago—that was the meeting at which the first American business group met with the governmental counterparts to start this process. That is still in existence, although it has been on a very slow track in recent years.

Q. When you speak of these circumstances, what exactly do you have in mind? Can you just speculate?

A. We have expressed our concerns in various ways. There are a variety of human rights concerns that the President and the American people generally feel very strong about. We really do care a lot about human beings in the United States. There are regional issues of various dimensions; there is arms control; there is a variety of things through which progress conceivably could be made, and progress has to change the atmosphere.

Q. I was wondering if in the last 2 or 3 days if the Soviet leadership has done or said anything that will make you hope for an improvement in relations between the two countries. Is there any sign at all?

A. It is really too early in the emergence of a new leadership to be trying to read the tea leaves that way. They are in the process of getting organized. We will see what comes forward. In the meantime, we will try to express our own viewpoint; the president has. And supplementing and commenting his view, there is the fact that

the Vice President has broken off from a very important trip to Africa, to which he will return, and he will complete all of the visits. Nevertheless, he broke off from that visit to come here—all as an expression of the importance that the United States attaches to the Soviet Union and to our relationship with the Soviet Union.

Q. Can we perhaps meet with you again before you leave Moscow?

A. It depends upon the schedule. Everything hangs on the schedule. We have some meetings tomorrow morning. I do not know, I cannot speak for the Vice President's schedule. I do not know, precisely, when he will return. So, there is a lot of uncertainty, but if there is anything to say as a result of whatever happens here, we will certainly want to get you together and tell you what it is. I have always been taught by John Hughes, "If you have any news, do not sit on it." Chances are it is very unlikely that we will have any news. But if we do, we will see that you get it.

Q. Did you say who these meetings are with tomorrow morning?

A. They are not with Soviet officials. Mr. Pym [British Secretary of State for Foreign and Commonwealth Affairs Francis] has gotten in touch with me, and I hope I can get together with him. He has made the request and Mr. [West German Vice Chancellor Hans-Dietrich] Genscher of the Federal Republic of Germany has also requested that I talk with him. As you know, Mr. Kohl [West German Chancellor Helmut] is in Washington, so, I suppose since we are not in Washington, we had better have our own meeting to see what we think, and there may be some others.

Q. Will you be trying to meet with the Chinese before you leave?

A. I do not have any scheduled meetings, and I doubt that it is possible. We checked schedules.

¹Texts from Weekly Compilation of Presidential Documents of Nov. 15, 1982.
²Made available to news correspondents by Department spokesman John Hughes.

³White House press releases.

⁴Made at Spaso House, Moscow. Press release 349. ■

American Role in NATO

by Lawrence S. Eagleburger

Statement before the Senate Foreign Relations Committee on November 30, 1982. Ambassador Eagleburger is Under Secretary for Political Affairs.¹

I welcome the opportunity to testify today on the American role in NATO. Too often in foreign policy, as elsewhere, we take the most important things for granted. Too rarely do we examine the foundations of our security and our role in the world. This is an important time for the United States to examine and state clearly our policies toward European security.

- We are now almost 2 years into the Reagan Administration.
- In the Soviet Union, a new leadership has just taken up the reins of power. While it is unlikely that Mr. Andropov [Yuriy V. Andropov, General Secretary of the Communist Party of the Soviet Union] and his associates will veer far from existing Soviet policies, they are undoubtedly now studying the opportunities and constraints they face. They are sizing up our resolve and steadiness and, in particular, our ability to maintain a unified Western alliance.
- In Europe, we and our allies are succeeding in putting behind us contentious questions regarding the Siberian gas pipeline and are about to start an effort to shape a coordinated Western approach to East-West economic relations for the rest of this decade.

Against this backdrop we are now hearing voices in this country calling for a scaling down of the American role in NATO. Most disturbingly, we are facing specific proposals in the Senate and the House which would, among other things, reduce the level of U.S. forces in Europe and interfere with our ability to meet our commitment to modernize NATO's nuclear forces.

When such views surfaced in the past, the national commitment to a strong Atlantic alliance prevailed. Having fought two wars to defeat aggression in Europe, the American people know that our interests cannot be insulated from events across the Atlantic. We decided after the second of those wars—as we should decide again now—that alliance with the other Western democracies is vital to our nation's security and prosperity. If we

have learned anything from the history of this century it is that we cannot retreat to a fortress America nor safely disengage from European affairs.

Europe has become more, not less, important for us over the three decades since the alliance was formed. The European and North American economies are now so tightly knit together that neither can grow without the other. The allied countries are our main export market. American direct investment in Europe is an important positive factor in our balance of payments and contributes heavily to the profitability of American business.

The United States and Western Europe are more than simply trading and political partners, however. Our security is unalterably linked with theirs. Western Europe is quite literally our first line of defense. It is the center of our global competition with the Soviet Union and by far the most alluring object of Soviet ambitions.

NATO's strength and cohesion have protected Western freedom and democracy and kept Europe peaceful for over three decades, despite a menacing Soviet military presence. If we sometimes forget that our European allies stand face to face with Soviet tanks and with Eastern totalitarianism, if the Soviet challenge sometimes seems distant to us, it is because NATO has been effective.

In recent years, Soviet military might has grown more rapidly than ever. Soviet foreign policy has become more assertive and aggressive. The invasion and occupation of Afghanistan is Moscow's first attempt since the end of the Second World War to expand by force the area under its direct control. The assault on the people of Poland shows that the Soviet leaders will not permit free institutions in countries where it has military dominion.

The new leadership in Moscow faces basic choices about the Soviet role in the world. If they see an America drawing inward, a demoralized Western alliance, and our European partners in doubt about the U.S. commitment, their incentive to act with greater restraint will be diminished.

The need for a strong Atlantic alliance based on unity of purpose and steady American leadership has never been more critical.

Proposed Senate Legislation

The Reagan Administration is particularly concerned; therefore, by the prospect of legislation that would cast doubt on the steadiness of the U.S. commitment to NATO. The current Senate defense appropriations bill, which contains provisions to cut back American participation in NATO defense programs, would, if passed, signal a broad U.S. retreat from its responsibilities and its leadership.

Passage of this legislation would be a fundamental departure from the historical bipartisan postwar U.S. approach to national security. Never has the American role in the defense of Western Europe been reduced through legislation. Never has the United States backed away from its NATO commitments. And never have the elected representatives of the American people voted not to stand by our allies and back up our defense commitments. Are we really ready now to take such a fateful step? Do we really want to greet the new Soviet leadership with a sharp deviation from the policies that have so successfully preserved Western security and American leadership in Europe?

The provisions that have been inserted in the Senate version of the proposed appropriations act that would be most damaging are:

- The reduction by 18,900 troops of the American force planned for the end of fiscal year 1983;
- The elimination of funds to procure heavy equipment for prestocking at two sites provided by Belgium and the Netherlands;
- The elimination of the American portion of the funding for 93,000 German reservists who will support our units in wartime under the host nation support program;
- Cuts in funding for the ground-launched cruise missile, which would force us to stretch our deployment schedules; and
- Restrictions on transatlantic defense cooperation and trade.

Let me emphasize one point right away. This Administration, like the Congress, is seriously concerned about the budget. We recognize that a sound economy is the necessary foundation for a successful foreign policy. But the provisions I have just outlined have almost nothing to do with budgetary austerity. The total saving contemplated by these anti-NATO proposals before the Senate

is about \$150 million, which is less than one-tenth of 1% of the total defense budget.

If the political consequences of these measures were as insignificant as the budgetary savings, I would not be here today. But the impact of these measures on our security would be out of all proportion to their budgetary significance.

Burdensharing Within NATO

I am aware that this legislation reflects a concern about the fairness of the distribution of defense burdens within the alliance. Like you, we want the allies to do more for the common defense. And it is true that U.S. defense spending is now growing faster than that of the allies. But let me remind you that we in the United States neglected military programs for nearly a generation and that only today are we repairing the resulting gaps in our forces. We must sprint now because we went so slowly for so many years.

In contrast, the allies have kept up a strikingly steady pace. During the 1970s, their defense spending rose at a rate of 2% per year in real terms. Our defense spending declined in real terms by 1% per year during the same period. If we had matched the allied growth rate during the 1970s we would not need to accelerate now. Conversely, had the allies failed to maintain their steady effort in those years—had their defense

Effects on U.S. Security

After all the arguments and counter-arguments about burdensharing have been heard, we must, at the end of the day, ask ourselves one basic question: Will the United States be more or less secure if these provisions are enacted? I believe the answer is clearly "less secure." Let me outline the effects I foresee.

First, the American commitment to NATO would be placed in doubt. I do not see how the advocates of this legislation could dispute this or argue that causing doubts about our commitment would advance our interests. Nothing could weaken the alliance more than the perception in Europe that the United States is not determined to preserve European security. Our allies would take little comfort in the fact that the amount of money involved is small. They would see passage of these cuts as a statement of U.S. intentions; they would interpret it as the beginning of a more general American retreat from Europe.

The Soviet would undoubtedly try to exploit the inevitable doubts and fears of the Europeans. Dividing us from our allies and pushing us out of Europe are, of course, central goals of Soviet foreign policy. The Administration has, as you know, recently made progress in healing divisions and rebuilding consensus and confidence in the alliance. This legislation could undo what has been achieved.

Nothing could weaken the alliance more than the perception in Europe that the United States is not determined to preserve European security.

spending decisions been dominated by considerations of what some here in the United States now call "equity" rather than need—the alliance would not be as secure as it is today.

In any case, it would be a tragic mistake to allow concerns about burdensharing to prevent us from doing what is necessary for our own security. Following that policy would allow those whose defense performance is weakest to set the standard. We are fortunate that the allies did not adopt such an attitude during a time of less-than-adequate U.S. performance.

Second, reductions, especially reductions in the number of American troops in Europe, would send the worst possible signal to European publics about the importance of a strong defense. NATO and U.S. leaders have been warning Europeans that the Soviet threat is growing. Reducing American forces or abandoning planned improvements would make those warnings sound hollow and undermine European public and parliamentary support for defense expenditures.

Proponents of this legislation may claim that our doing less would jolt our allies into doing more. I see no basis for such wishful thinking. U.S. cuts would

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have the opposite effect. If we do less, the Europeans will do less, and we will all be less secure.

Third, these cuts, while small in dollar amounts, would hit priority, cost-effective programs especially hard. The proposed troop cuts could leave our combat forces undermanned or force the withdrawal of other essential units. Reductions in funding for prepositioning combat equipment and our share of the host nation support agreement would compound the difficulties and costs of wartime deployment.

We are constantly striving to make our dollars buy more fighting strength. These programs enhance our combat capacity by improving what is sometimes called our "teeth-to-tail" ratio. The proposed cuts would, therefore, reverse a major effort to improve our forces' effectiveness, while saving very little money. Moreover, they would not simply penalize our allies but our own forces by denying them the means to carry out their rapid reinforcement mission.

Fourth, these cuts would damage the very programs in which allied performance has been especially good. The Europeans have joined the host nation support and prepositioning programs with the clear and correct understanding that we would match or supplement them. If we now back down on our side of the bargain, we will not only lose the benefits of these programs but will undermine our credibility for the development of any future cooperative efforts.

In 1978 at a summit meeting in Washington, alliance leaders agreed to a long-term program providing, among other things, for rapid U.S. wartime reinforcement of Europe. Since then, our allies have fulfilled their commitment. For example, Belgium and the Netherlands, both small and densely populated countries, have gone to considerable effort and expense to obtain the land required to store prepositioned U.S. equipment. The Federal Republic of Germany has allocated half the funds for 93,000 additional German reservists to support U.S. deployments. The proposed appropriations bill would threaten both of

these programs. Is this a sensible way to respond when the allies have done just what we proposed they do?

If restrictions on our contributions to the long-term defense program stand, the entire program will atrophy. We will turn a notable success into failure. We will cancel out much of what we and the allies have already achieved—and paid for.

Last June in Bonn, President Reagan and his allied counterparts committed themselves in a special summit charter to specific plans for improving NATO's conventional capabilities. This charter called for the achievement of demanding force goals and identified priority programs. I cannot now guarantee that this charter will be implemented in every detail, though we will work to that end. But I can say with absolute confidence that if these cuts are legislated that charter will not be translated into concrete improvements.

Let me restate unequivocally our agreement that the allies need to do more. This Administration has made that clear at every opportunity, here and abroad, and is working to produce a greater allied contribution to our common defense effort.

Our attempts to foster better coordination of U.S. and European defense spending and to have our allies take greater responsibility for our common defense are bearing fruit. But only if we ourselves keep the commitments that we have made can we count on the allies to improve their performance.

Finally, a legislated, unilateral U.S. pullback from our military commitments to NATO would damage prospects for arms control. Unilateral U.S. troop withdrawals would remove any incentive for the Soviets to agree to mutual reductions that would lower the threat and ease the military confrontation in the heart of Europe. At the MBFR [mutual and balanced force reductions] talks in Vienna we are seeking to negotiate the new Western draft treaty put forward by the President last spring. That treaty would correct the present imbalance between Soviet and Western forces in Central Europe through significant, verifiable reductions to equal levels.

A cut in funding for the ground-launched cruise missile and the deletion

of funds for the deployment of the Pershing II missile, which has been voted in the House, would dash our hopes for a negotiated solution to the problem posed by the Soviet SS-20 intermediate-range nuclear missiles. In the INF [intermediate-range nuclear forces] talks in Geneva, we have proposed a treaty that would ban this whole class of Soviet and U.S. intermediate-range nuclear missiles. But only if we and our allies show that we are resolved to deploy U.S. missiles in Europe can we get the Soviets to negotiate seriously.

The advocates of this legislation owe it to us all to explain how it would help arms control and thus contribute to reduction of the threat. Is there any evidence that unilateral limits and cuts can have anything other than a destructive effect on negotiated arms control? Should we not be more concerned about reducing the threat than about reducing our ability to counter it?

Conclusion

Let me conclude with a few basic points. The Atlantic alliance has provided well for Western security for 30 years. That alliance is built upon the forces that we and our allies have deployed in Europe and the conviction that the United States is fully committed to the defense of Europe. When those forces and that conviction are strong, deterrence in Europe is sturdy and we are secure. We weaken them at our peril. The world will be dangerous enough in this decade. It is not in our interest to tamper with North Atlantic security.

¹ The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Italian Prime Minister Spadolini

Prime Minister Giovanni Spadolini of Italy made an official working visit to Washington, D.C., November 2-4, 1982. Following are remarks made by President Reagan and Prime Minister Spadolini after their meeting on November 3.

President Reagan

Prime Minister Spadolini and I have had a most productive and harmonious discussion today covering a wide range of important issues. Our discussions confirmed the wide-ranging accord that exists between our two countries on matters affecting world peace, Western solidarity, and international economic cooperation. And this is only fitting as between allies as close as the United States and Italy.

On the key issues of East-West trade, Prime Minister Spadolini and I agree that the United States, Italy, and the other allies must pursue discussions aimed at establishing a broad transatlantic consensus. Our trade and financial relations with the Soviet Union must take into account the nature of the Soviet conduct toward its neighbors. The Prime Minister shared with me Italy's special perspective in this regard.

We discussed the current situation in the Middle East, where our two countries are working closely both to guarantee the peace which prevails in the Sinai and to assist the Government of Lebanon in securing withdrawal of all foreign forces and restoring its full authority throughout the territory. The Prime Minister stated a readiness in principle to support the expansion of Italy's contribution to the multinational force in the context of broadening the force's mandate and its composition. I want to take this occasion to extend my personal appreciation to the Prime Minister for his vigorous and constructive contributions that Italy is making to the promotion of peace and stability in that critical region.

We also discussed the importance of the aerospace industry in strengthening the technological capability of the West, and we've agreed to instruct the appropriate authorities in our respective governments to facilitate cooperation in this sector. In this connection, the Prime

Minister and I agree that our governments would establish working groups to explore the means of future cooperation between our two nations.

During our discussion of Western security issues, I expressed appreciation to the Prime Minister for Italy's indispensable contribution to the December 1979 NATO decision on the intermediate-range nuclear forces. I reaffirm to him my commitment to pursue vigorously negotiations leading to the elimination of such forces by both sides and to the deep reduction in strategic nuclear forces as well.

I'd like to close on a personal note. This was my fourth meeting with the Prime Minister, and my admiration and respect for him has grown with each encounter. The United States has no better friend in the world than Italy, and the West has no more erudite and distinguished a leader than my friend, Giovanni Spadolini. After our meetings in Europe, it was a great pleasure for me to receive him here at home, and I look forward to seeing him once again when he returns to the United States for the economic summit that will be held in Williamsburg next spring.

Prime Minister Spadolini

I have come today to see President Reagan, together with Foreign Minister [Emilio] Colombo, not only in behalf of Italy but also as the interpreter of the concerns and common feelings of Western Europe—that Europe that finds itself in the values of freedom and tolerance and of respect of man for man, which are part and parcel of the Atlantic community.

I have told President Reagan about the absolute need to find a global strategy in the economic and trade relations with the Eastern countries. The misunderstandings of the last months must be replaced by a new partnership on a basis of equal dignity and a mutual understanding based on the agreements



(White House photo by Bill Fitz-Patrick)

of Versailles and on which the Italian contribution was determined.

As Italians, we feel that in consistency with the approach adopted at Versailles, the Western World must find and define a common approach based on a greater strictness of an economic nature in its relations with the Eastern world and based on and inspired by the following four points:

First, no undue gift to the Soviet Union as far as credits are concerned; [second], greater strictness in the transfer of technologies to the Soviet Union; third, implementation of a security net within the Western system so as to reduce the dependence on the Soviet Union concerning raw materials and energy products; fourth, the contracts that have already been signed by European countries concerning the pipeline must be honored, so as not to prejudice the credibility as far as the trade of the Western World is concerned.

But I think that, amongst these four points, we also feel that it is indispensable to have a prejudicial position that would affect, in a legitimate manner, the past or that would create obstacles for the future.

Following the first meetings that I have had here in Washington, the United States has made a further step forward toward the solution of this problem through a formula which will be presented this evening to the Ambassadors of the countries concerned. And within this perspective, and aware of the need of the lifting of sanctions as a consequence of the new agreement,

Italy will continue to commit itself to find a conclusion and a solution, so as to have a global agreement—a solution which I think is very near.

I will also present this same position in Paris in the very close meeting that I will have with President [Francois] Mitterrand. The political solidarity between Europe and the United States that we want to defend at all costs also implies the overcoming of these conflicts which are not necessary and that we are having because of the Soviet Union.

Italy is and will always be coherent to the principles that have been inspiring, for more than 30 years, its foreign policy, and which are based on the strengthening of the bonds with its partners of the Western World and first and foremost, with the United States, which is the essential premise to start, once again, and on the basis of a guaranteed security, the East-West dialog, which is undergoing new tensions today which torment us and concern us very much. I am thinking in particular of the situation in Poland and in Afghanistan. This is why, in spite of the international difficulties—and I think that because of these difficulties—we are convinced more than ever about the fact that we should pursue in the negotiations undergoing in Geneva for a balanced control and reduction of armaments.

I have reaffirmed to President Reagan the conviction that Italy has: that to find peace in the world it is necessary to also act for the development of a policy which would favor the dialog between the North and the South on our planet. And I am referring in particular to the difficult areas of the Mediterranean. And it is in this framework that I am thinking of satisfaction of the joint action of our two countries—first, in the Sinai, and today, in Beirut, an action that we want to strengthen in agreements between our two governments and that in the next days will find a further development

with the parallel decisions which will increase our presence in Lebanon, always with the aim of giving to that torn country a condition of true independence and stability.

Within the framework of bilateral collaboration, which is developing in all fields from the economic to the cultural, and within the framework of our collaboration, also, in the fight against terrorism and against narcotics, I have told President Reagan about the Italian decision which will have to be now defined in the competent fora, to buy from the American industry 30² McDonnell-Douglas DC9 80 aircraft.

I have also conveyed to President Reagan the warm greetings of the President of the Italian Republic, Mr. Sandro Pertini, seeing with satisfaction that in the last 2 years Italy has confirmed its role amongst the most industrialized countries of the Western World. And this is why I've been able to come here expressing the voice of an Italy which is determined to respect its international commitments and to, therefore, begin working from the strengthening of defense in the Atlantic Alliance; to struggle, therefore, against economic difficulties which are common to the whole Western industrialized world. And we are doing this in a very strict and steadfast manner.

All Europeans know how much they owe to the United States that twice has given back freedom to our continent. And I, therefore, have been interpreter of these feelings to my friend, President Ronald Reagan, a man that I admire very much for his loyalty, dedication to individual freedoms of the whole world.

¹Made on the South Lawn of the White House (text from Weekly Compilation of Presidential Documents of Nov. 8, 1982.)

²Prime Minister Spadolini spoke in Italian, and his remarks were translated by an interpreter. In the original translation, the interpreter said three aircraft. She corrected the error at the conclusion of her translation of the Prime Minister's remarks. ■

Visit of West German Chancellor Kohl

Chancellor Helmut Kohl of West Germany made an official visit to Washington, D.C., November 14-16, 1982, to meet with President Reagan and other high-ranking Administration officials. Following is the full text of the joint communique issued following Chancellor Kohl's meeting with the President on November 15.¹

During the visit of the Chancellor of the Federal Republic of Germany, Helmut Kohl, he and President Reagan held detailed talks in Washington on current political and economic issues on November 15, 1982. The Chancellor is also meeting with Secretary of State Shultz, Secretary of Defense Weinberger, Secretary of the Treasury Regan, high-ranking Administration officials, and leading members of the Senate.

The discussions attested to the depth and the breadth of German-American friendship. The United States and the Federal Republic of Germany are partners as well as friends, sharing common ideals, human and democratic values. In today's uncertain world, this commitment has become more important than ever. Our shared values form the unshakeable foundation for our joint efforts to maintain the freedom and prosperity of the Western world.

The discussions were based on a determination to work together as closely as possible to meet the challenges of the closing decades of the twentieth century. These challenges are as critical as those which faced the great statesmen who founded our partnership more than three decades ago. During the past thirty years the Atlantic partnership has been successful in guaranteeing to our peoples more freedom, security and prosperity than at any time in history. The President and the Chancellor reaffirmed during their discussions their common view on the central role played by the Atlantic Alliance in the foreign policies of their respective governments.

A major reason for success of the Atlantic Alliance has been the close relationship which has developed between the United States and the Federal Republic of Germany. German-American ties are deeper than simple calculations of national interest. After World War II and after the destruction caused by it in Germany, these ties originated from the generous humanitarian aid and the political support which the United States granted to the German people and their young democracy. German-American relations are based on a close affection among our two peoples

and familial ties between Americans and Germans. Ours is a relationship based on mutual support and open discussions between equal partners.

During the discussions it was agreed that high level consultations between the United States and the Federal Republic of Germany will be continued during a visit to Bonn by Secretary of State Shultz in early December. An example of the close ties between our two nations are the more than fifty million Americans of German descent. German Americans have provided major contributions to every aspect of American life and form one of the foundations of American society. The President and the Chancellor anticipated with pleasure the joint celebration in 1983 of the Tricentennial of German immigration to the United States. President Reagan announced today the formation of a Presidential commemoration of this important event. Chancellor Kohl described plans for celebrations in the Federal Republic of Germany. They stressed that the Tricentennial should be a joint celebration among the peoples of their two nations and reaffirmed the intention of President Reagan and President Carstens to meet in the United States in October, 1983, to highlight the American celebration.

The wider the understanding of the commonality of the issues facing the United States and the Federal Republic of Germany, the stronger our partnership will become. For this reason, President Reagan and Chancellor Kohl were pleased to reaffirm their support for the initiatives to broaden U.S.-German contacts and to set up a multilateral youth exchange among Western industrialized democracies. The purpose is to pass on to the younger generations in our nations the sense of partnership which the older generation feels so deeply.

The President and the Chancellor reaffirmed the Alliance's overall concept for successfully safeguarding peace in Europe as embodied in the declaration made by the heads of state and government of the Atlantic Alliance in Bonn on June 10, 1982. As stressed in that declaration, they agreed that in accordance with current NATO defense plans, and within the context of NATO strategy and its triad of forces, they will continue to strengthen NATO's defense posture, with special regard to conventional forces.

The Alliance has demonstrated that it serves the cause of peace and freedom. Even in difficult situations, it has been able to do so because its members have acted in a spirit of solidarity. The Alliance does not threaten anyone. Nor does it aspire to superiority, but in the interests of peace it cannot accept inferiority either. Its aim is, as before, to prevent any war and safeguard peace and freedom. None of the weapons of the Alliance will ever be used except in response to attack.

The Chancellor paid tribute to the crucial contribution that the United States renders to the joint security of the Alliance through the indispensable presence of American

troops in Europe. The President and the Chancellor agreed that a unilateral reduction of American troops would have a destabilizing effect and, at the same time, would undermine efforts for negotiated force reductions.

The President expressed his great appreciation for the significant and uninterrupted German contribution to the common defense. In particular, he paid tribute to the German-American agreement of April 15, 1982 on Wartime Host Nation Support, which entails considerable additional expenditure by the Federal Republic of Germany and the United States of America for common defense.



(White House photo by Bill FitzPatrick)

The President and the Chancellor stressed the need for close, comprehensive, and timely consultations to strengthen the Alliance's cohesion and its capacity to act. They attached particular importance to German-American cooperation. They hoped that informal meetings of the foreign ministers of the Alliance would be continued.

The President welcomed the resolve of the Government of the Federal Republic of Germany to strengthen European unification. The President and the Chancellor paid tribute to the important role of the European Community and all its member states for economic and political stability in Europe and the world. The development of a united Europe will strengthen cooperation between Europe and the United States and, hence, also reinforce the Alliance.

The President and the Chancellor paid tribute to the close agreement and cooperation between the Federal Republic of Germany and the Three Powers in all matters relating to Berlin and Germany as a whole. They concurred in the view that the preservation of trouble-free conditions in and around Berlin was an essential element of East-West relations and of the international situation as a whole.

The President reaffirmed American support for the political aim of the Federal

Republic of Germany to work for a state of peace in Europe in which the German nation will regain its unity through self-determination.

A major subject discussed during the meetings was relations with the Soviet Union. The values and goals of the Soviet Union do not correspond to our own. The USSR restricts freedom on its own territory and in countries under its influence, and has shown that it is ready to use force or the threat of force to achieve its foreign policy aims. Security of Western societies requires constant attention to the military threat posed by the USSR. The Federal Republic of Germany and the United States of America gear their policies in East-West relations to the concept of renunciation of force, human rights, and the right of nations to self-determination.

The President and the Chancellor called upon the Soviet Union to comply with internationally recognized rules of conduct. This required respect for the principles enshrined in the Charter of the United Nations and in the Helsinki Final Act as well as a worldwide policy of moderation and restraint.

In this spirit, the President and the Chancellor underlined their desire to improve relations with the Soviet Union. They are ready to conduct relations with the new leadership in Moscow with the aim of extending areas of cooperation to their mutual benefit if Soviet conduct makes that possible. It is especially important at present for the West to approach the Soviet Union with a clear, steadfast and coherent attitude which combines the defense of its own interests with the readiness to pursue constructive relations, dialogue, and cooperation with the leadership of the Soviet Union.

In this regard, the President and the Chancellor greeted with satisfaction the recent agreement on measures leading to a broader consensus on East-West economic relations. They attached the greatest importance to a common approach to this issue. Close consultation and cooperation on East-West economic issues is as vital to Western interests as is the traditional cooperation on political and security questions.

It is the purpose of our common efforts that trade with the Soviet Union and Eastern Europe should be conducted on the basis of a balance of mutual advantages. While noting the important part which our economic relations with the Warsaw Pact countries can play in the development of a stable East-West relationship, the President and the Chancellor agreed that those relations should be approached in a prudent and diversified manner, consistent with our political and security interests.

The Chancellor expressed his appreciation for the lifting of the embargo on oil and gas technology and equipment, which he considered as evidence of successful efforts on the part of all concerned for improved coordination of Western policy in the economic field.

The President and the Chancellor agreed that developments in Poland, which continued

to cause great concern, had an adverse effect on efforts to promote security and cooperation in Europe. They drew attention once more to the Soviet Union's responsibility for the events in Poland. They called upon the Polish leadership to lift martial law in Poland, to release all detainees, to reverse the ban on the trade union Solidarity and, through serious dialogue with the Church and appointed workers' representatives, to seek national consensus which is the only way to lead Poland out of its present crisis, free from any external interference. They hoped that the release of Lech Walesa will promote these objectives. The President and the Chancellor welcomed the numerous initiatives for humanitarian aid for the Polish people. They agreed that this aid should be stepped up wherever possible.

The President and the Chancellor agreed on the importance of the CSCE process initiated by the Helsinki Final Act and advocated that it be continued. It is a long-term process which has been gravely affected by events in Poland. It can prove successful only if the participating countries observe the principles and provisions of the Final Act in their entirety. They expressed support for the new proposals, responsive to events in Poland and the USSR, put forward by the West in the resumed Madrid session, as reasonable and essential elements of a balanced outcome.

The President and the Chancellor agreed that the CSCE review conference, which was resumed in Madrid on November 9, 1982, should agree on a substantive and balanced final document which leads to progress in the important humanitarian field of East-West relations and contains a precise mandate for a Conference on Disarmament in Europe (CDE), envisaging militarily significant confidence and security building measures covering the whole of Europe, from the Atlantic to the Urals.

The President and the Chancellor noted that arms control and disarmament as well as defense and deterrence were integral parts of NATO's security policy. They agreed that significant progress towards reduction of the levels of nuclear and conventional forces through balanced and verifiable agreements would be an important contribution to the reduction of international tensions. The incessant unilateral increase in Soviet armaments in recent years has threatened the security and made even more urgent the need to establish a balance of forces between East and West. The goal of the United States and the Federal Republic of Germany remains to achieve a stable balance of both nuclear and conventional forces at the lowest possible level.

The President and the Chancellor recalled the comprehensive program of arms control proposals put forward by the United States on the basis of close consultation and adopted by the entire Alliance at the Bonn Summit on June 10, 1982. They stressed their common belief that this program provides the best hope for true reductions in arsenal of both intermediate and intercontinental strategic

weapons. They rejected the proposals to freeze existing levels of nuclear weapons, or for one-sided reductions by the West, as inadequate for substantive arms control and as harmful to the security of the Atlantic Alliance.

They noted also that the Soviet Union had in recent years refused to reciprocate the unilateral restraint in this field by the United States. They expressed the strong judgment that true reductions in nuclear armaments would be possible only when the Soviet Union is convinced of the determination of the West to maintain its defenses at the level necessary to meet the threat posed by massive increases in Soviet nuclear forces.

In this connection they attached particular importance to negotiations on reductions of strategic arms and of intermediate range nuclear forces now underway between the United States and the Soviet Union in Geneva. President Reagan reaffirmed his determination to do his utmost to achieve true reductions in nuclear armaments through balanced and verifiable agreements. The President and the Chancellor pointed out that negotiations in Geneva are serious and substantial. At the same time they expressed concern at the refusal of the Soviet Union to take into account legitimate Western security concerns.

In conformity with their policy for actively safeguarding peace through firmness and negotiation, the President and the Chancellor reaffirmed their commitment to both parts of the NATO dual-track decision of December 12, 1979, consisting of a program of INF modernization and an offer to the Soviet Union of arms control negotiations on INF. An important aspect of Western security policy remains the common determination to deploy modernization longer-range INF missiles in Europe beginning at the end of 1983 if negotiations on this subject now underway in Geneva do not result in a concrete agreement making deployment unnecessary.

The President and the Chancellor noted that the decision to deploy the systems in Europe was based on a unanimous finding by members of the Atlantic Alliance that increases in Soviet weapons, in particular introduction of SS-20 missiles, had endangered the security of Western Europe and thus of the entire Alliance. They stressed that the complete elimination of Soviet and United States land-based, longer-range INF missiles, as proposed by the United States, would be an equitable and fair result and would be a substantial contribution to serious arms control. They called upon the Soviet Union to negotiate seriously toward this end. The Chancellor restated his full confidence in the

Second Anniversary of Solidarity

PRESIDENT'S STATEMENT, NOV. 10, 1982¹

Today marks the second anniversary of an important milestone in mankind's age-long struggle for freedom. In November 1980, for the first time since 1917, a Communist government was compelled to grant formal recognition to a free trade union, Solidarity. This unprecedented step was brought about by a nonviolent revolution of millions of Polish workers who could no longer tolerate coercion and mismanagement.

Many hoped that this event would open a new chapter in the evolution of Communist regimes; that it demonstrated they have finally recognized there are limits to the use of force against one's own people; and that cooperation is preferable to repression. Unfortunately, as we now know, the official recognition of Solidarity 2 years ago was merely a tactical move to gain time on the part of the panic-stricken Communist authorities.

The Polish Government, working hand in glove with Moscow, persistently refused to implement the terms of the

November 10, 1980 accords. Instead, it did everything it could to discredit the union by a campaign of slander and provocation. The campaign failed to achieve its objectives. Finally, in desperation and under intense Soviet pressure, Poland's authorities moved to liquidate Solidarity, which ideal of worker self-determination jeopardized all Communist regimes.

It is said by declaring war on its own people, the Polish Government has destroyed Solidarity. This is not so. One can imprison protesters, club and disperse demonstrators with tear gas or water cannons, but the specter remains: Never again will the self-appointed representatives of the workers be able to pretend that they represent anyone but themselves.

Our hearts go out to the brave Polish people. By struggling for freedom and social justice against overwhelming odds, they fight for a cause all humanity shares with them.

¹Text from Weekly Compilation of Presidential Documents of Nov. 15, 1982. ■

American negotiating effort in Geneva and welcomed the close and continuous process of consultations within the Alliance.

President Reagan described the ideas behind his Berlin initiative of June 10, 1982 for an agreement between the United States and the Soviet Union on measures to help avoid the danger that accident or miscalculation could lead to a nuclear exchange between East and West. He stated that the United States was preparing proposals for nuclear confidence building measures which would be presented by American representatives at the Geneva negotiations. The Chancellor and the President expressed their hope that the Soviet Union would join with the United States in progressing rapidly to an agreement on such measures. They also remain committed to halting the spread of nuclear weapons through the pursuit of vigorous non-proliferation policies.

The President and the Chancellor underscored their undiminished interest in substantial reduction in conventional forces in central Europe. They recalled the new draft treaty which the Western participants had presented at the Vienna negotiations on mutual and balanced force reductions. This proposal provides an excellent foundation for a balanced agreement on reduction of conventional forces in Europe. The President and the Chancellor called upon Warsaw Pact participants to react positively.

They stated that agreement on a comprehensive and fully verifiable ban on chemical weapons in the Geneva Committee on Disarmament remained a prime objective of their policies.

They also attached great importance to efforts in the United Nations to secure transparency by promoting military openness, verification, and wider availability of information on defense spending.

The President and the Chancellor were in complete agreement on the requirement for special attention to Alliance needs on the Southern Flank. They emphasized in this connection their resolve to support the Turkish Government in its efforts to lead Turkey back to democracy.

The President and the Chancellor expressed confidence that our free societies would overcome the current difficult economic situation. They attached paramount importance to restoring the conditions for sustained growth through higher investments, in order to reduce unemployment and to maintain price stability.

The economic policies of industrial nations must be closely coordinated. Each country must bear in mind the effects that its political and economic measures will have on other countries. These factors will also have an important effect on the Economic Summit to be held in Williamsburg at the invitation of the United States. Both sides reaffirmed the importance of conducting the discussions at this summit on the basis of openness, trust, and informality.

The President and the Chancellor discussed the dangers posed by rising protectionism to world trade and the economic well being of nations. They reaffirmed their commitment to the multilateral trading system, looking forward to a successful GATT Ministerial meeting in Geneva this month.

The President and the Chancellor agreed that it is imperative to respect and promote the independence of the countries of the Third World and that genuine nonalignment is an important element of stability and world peace. The President and the Chancellor reaffirmed their readiness to continue to cooperate with Third World countries on the basis of equal partnership.

The continuing Soviet occupation of Afghanistan is a strain on international relations. The President and the Chancellor

deplored the fact that the Soviet Union continued to defy international opinion and ignored United Nations resolutions calling for the withdrawal of foreign troops from Afghanistan, as well as the right to self-determination for Afghanistan and restoration of its non-aligned status. Afghanistan remains an acid test of Soviet readiness to respect the independence, autonomy, and genuine non-alignment of Third World countries and to exercise restraint in its international behavior.

The Chancellor welcomed President Reagan's proposal of September 1, 1982 as a realistic attempt to promote the peace process in the Middle East. They agreed that negotiations between Israel and its neighbors in the framework of UN resolutions 242 and 338 offer the best opportunity for peaceful resolution of disputes in that area. The United States and the Federal Republic of Germany, together with its partners in European Political Cooperation, will, as before, seek to ensure that the American and European efforts for a comprehensive, just, and lasting peace in the Middle East, on the basis of existing achievements, are complementary to each other. They called for early withdrawal of all foreign forces from Lebanon. They continued to urge that the sovereignty and unity of Lebanon be restored and expressed their support for the reconstruction of Lebanon.

¹Text from Weekly Compilation of Presidential Documents of Nov. 22, 1982, which also carries remarks at the arrival ceremony, remarks following the meeting with the President, and dinner toasts made by the President and Chancellor Kohl at a private dinner hosted by the President, all on Nov. 15. ■

Act of State Doctrine: Foreign Expropriations

The following letter was written by Department of State Legal Adviser Davis R. Robinson to Solicitor General Rex E. Lee for submission to the Court of Appeals for the Sixth Circuit in the case of Kalamazoo Spice Extraction Co. v. the Provisional Military Government of Socialist Ethiopia. The letter sets forth the Department's practice regarding the issuance of letters commenting on the potential effect on U.S. foreign relations of litigation in U.S. courts challenging the legality of foreign acts of expropriation. The letter addresses this question only with respect to cases in which a treaty supplies the applicable legal standard for judging the international legality of the foreign act, the situation presented in the particular case before the court.

November 19, 1982

The Honorable Rex E. Lee
Solicitor General of the United States
Department of Justice
Washington, D.C. 20530

Dear Mr. Solicitor General:
The Department of State has requested that the views of the United States be submitted to the United States Court of Appeals for the Sixth Circuit in a case styled *Kalamazoo Spice Extraction Co. v. The Provisional Military Government of Socialist Ethiopia*. This case involves an appeal from a decision by the United States District Court for the Western District of Michigan in which the District Court abstained from ruling on the merits of the suit because of the Act of State Doctrine. Two aspects of the decision are of concern to the Department of State—the Court's characterization of the Treaty of Amity and Economic Relations between the United States and Ethiopia as being too "general . . . and susceptible of multiple interpretation" to constitute an agreed legal standard capable of judicial application, and the significance attached by the Court to the

absence of a "Bernstein letter" from this Department stating that adjudication would not be harmful to the conduct of foreign relations.

We have worked closely with the Department of Justice in the preparation of a brief to convey to the Court of Appeals the views of the Executive Branch as *amicus curiae* on these two issues of special concern. The brief sets forth the reasons why the treaty provides a precise, administerable and, by agreement, governing rule of law. The brief also sets forth, partially in reliance upon this letter, why the courts should not infer from the silence of the Department of State that adjudication in this case would be harmful to the foreign policy of the United States. Since the latter issue involves the inferences to be drawn by the courts generally from actions of this Department, I wish to make clear the practice that we intend to follow in cases like this.

As expressed in *Banco Nacional de Cuba v. Sabbatino*, 376 U.S. 398 (1964), the presumption that the courts should abstain from considering the expropriatory acts of foreign states appears to have reflected two major concerns of the Supreme Court. The first was that articulation by United States courts of an applicable international law standard for compensation would pose special difficulties, including a perceived risk of conflict with the Executive Branch's assertion of a governing legal standard in the conduct of foreign relations. The second of the Court's principal concerns was that adjudication could complicate the conduct of bilateral relations with the expropriating state—for example, by frustrating ongoing claims settlement negotiations between the two governments.

Where, as in the present case, there is an applicable treaty standard, the first of these concerns falls away. The second concern—potential interference with ongoing claims negotiations or other foreign relations interests—does not, in our view, warrant automatic abstention by the courts on Act of

State grounds. As Legal Adviser Monroe Leigh wrote to the Solicitor General concerning foreign expropriations in 1975:

In general this Department's experience provides little support for a presumption that adjudication of acts of foreign states in accordance with relevant principles of international law would embarrass the conduct of foreign policy. [Letter of November 25, 1975, reprinted at Appendix I to *Alfred Dunhill of London, Inc. v. Cuba*, 425 U.S. 682, 706 (1976).]

The experience of the past seven years has reinforced this conclusion. Accordingly, we believe that a broad, inflexible rule of abstention in expropriation cases is not necessary to safeguard our foreign policy interests. When, as in this case, there is a controlling legal standard for compensation, we believe that the presumption should be that adjudication would not be inconsistent with foreign policy interests under the Act of State Doctrine.

If, however, the Department of State determines in a given case that judicial abstention is necessary for foreign policy reasons, it will request the Department of Justice to communicate that determination to the appropriate court. Such a communication could be either in response to an inquiry from a court concerned about the foreign policy implications of the case before it or on the initiative of the Executive Branch. (Private litigants and foreign governments frequently bring cases to the attention of the Department of State which they believe raise Act of State concerns.) If we indicate that adjudication would be consistent with foreign policy interests of the United States, we trust that the court will give appropriate weight to our views. As a general rule, however, where there is a controlling legal standard for compensation we would not plan to inform the courts of the absence of foreign policy objectives to adjudication of expropriation claims. Therefore, we would anticipate that silence on the part of the Executive in such cases would not be relied upon as a basis for judicial abstention under the Act of State Doctrine.

Sincerely,

DAVIS R. ROBINSON ■

Search for Peace and Stability in the Middle East

by Kenneth W. Dam

Statement before the Senate Foreign Relations Committee on December 1, 1982. Mr. Dam is Deputy Secretary of State.

It is an honor for me to appear before this committee today to discuss our efforts to bring peace and stability to the Middle East. As you know, these efforts involve a resolution on the conflict in Lebanon and the search for comprehensive peace in the Middle East.

Our government is approaching these two problems on separate tracks, but there is an obvious relationship between them. That relationship is symbolized by the President's appointment of Ambassador Philip Habib as his Special Representative with a new mandate involving both Lebanon and the broader peace process. These endeavors are a matter of high national priority. In the absence of substantial progress toward peace in Lebanon and in the region as a whole, we can anticipate continuing unrest in the Middle East threatening U.S. and Western interests and endangering the security of Israel.

The task is complicated, and our responsibility is great. Of all the powers external to the region, only the United States has the credibility to deal with the issues in a fair and equitable manner. Our reputation for dealing honestly and pragmatically with regional conflicts is an asset of great importance; we cannot afford to squander it.

Let me now turn to a more detailed discussion of the current status of our efforts first in Lebanon and then with regard to the Middle East peace process.

Lebanon

A critical test for American diplomacy is in Lebanon. Our objective is straightforward. We seek to restore Lebanese sovereignty and to insure Israeli security. These are not separate objectives. A stable, sovereign Lebanon and a secure Israel are two sides of the same coin. The threat to Israel does not come from the Lebanese people but from foreign forces that have usurped Lebanese sovereignty and are still camped on Lebanese soil. It follows that a peaceful Lebanon, free of all foreign forces and sovereign over all its territory, will

make a major contribution to Israeli security. To achieve this objective, we and the responsible international community support a three-part strategy in Lebanon:

First, withdrawal forthwith of all foreign forces from Lebanon;

Second, restoration of Lebanese Government sovereignty and strengthening of the Lebanese Armed Forces; and

Third, reestablishment of a Lebanese national consensus and reconstruction of the Lebanese economy.

This strategy in support of the Lebanese Government is designed to achieve peace and security for both Lebanon and Israel. The withdrawal of all foreign forces will remove a threat to Israel's border. Restoring Lebanon's sovereignty and strength, and rebuilding its economy, will prevent that threat from returning. The United States is moving now to implement all three parts of this strategy.

America's diplomatic energy is focused on bringing about the immediate withdrawal from Lebanon of all foreign forces—Israeli, Syrian, and PLO. To succeed, we must meet the legitimate interests of each of the parties through practical security arrangements. Three sets of negotiations will be involved: negotiations between Lebanon and Israel, between Lebanon and Syria, and between Lebanon and the PLO.

It is a fact that none of these talks has begun. The Israeli-Lebanese negotiations could provide a stimulus for the others, but they have been stalled by debate over the level and location of the talks. Last week President Gemayel proposed a compromise solution on the diplomatic level of these negotiations. The Israeli Cabinet recently adopted that solution, but it remained firm in its insistence that talks take place in Beirut and Jerusalem.

The current Israeli position is unacceptable to the Lebanese Government. The success and stability of that government depends on the support of those within Lebanon and throughout the Arab world for whom the status of Jerusalem remains a critical issue. The United States acknowledges the importance of Jerusalem to Israel and to all Arab states. But insistence on a Jerusalem venue should not be made an

obstacle to the start of talks on the withdrawal of external forces from Lebanon.

The present situation is clearly intolerable. Syrian, PLO, and Israeli forces remain poised in the field. The continued occupation of Lebanon by foreign forces—forces that imperil Lebanese sovereignty and threaten Israeli security—is dangerous and should be unacceptable to the parties. President Reagan is determined to see the parties get the disputes out of the trenches and onto the table. Wrangling over procedures must end, and substantive negotiations must begin.

Once the withdrawal of foreign forces from Lebanon begins, a vacuum may be left that could endanger Lebanese sovereignty and Israeli security. The Lebanese Armed Forces will not be able immediately to fill that vacuum, although we and our allies will be working to rebuild those forces. Consequently, it may be necessary for the United States to consider joining with other nations in an expanded multinational force (MNF). Indeed, the Lebanese Government has recently made such a request. An expanded MNF would bolster the parties' confidence in security arrangements that will facilitate the withdrawal of foreign forces from Lebanon.

We will, of course, consult closely with the members of this committee in addressing the question of U.S. participation in an expanded MNF. It is too early at this time to specify the details of any international peacekeeping force in Lebanon.

A fully sovereign Lebanon and a secure Israel, however, cannot be achieved through military measures alone. The once dynamic economy of Lebanon must be restored. Therefore, we may have to return to the new Congress with a supplemental request for the funds necessary to enable the United States to play an appropriate role in the reconstruction of Lebanon. Only a healthy Lebanese economy and a thriving private sector can provide the prosperity that is an essential adjunct to our security and economic assistance.

Using available military credits and Lebanon's own funds, we have started a crash military assistance program to help the Lebanese Army assert its authority throughout the country and

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thereby enable the MNF to depart. We envisage the need for some additional funding and, as our estimates are developed, may wish to seek foreign military sales and international military educational training funds in a supplemental request.

Middle East Peace Process

Let me now turn to the status of the Middle East peace process. The President's historic initiative of September 1 is designed to bring about a just and lasting peace that will satisfy the legitimate rights of the Palestinian people and, at the same time, assure the security of Israel. To achieve these ends, the initiative seeks to broaden the circle of peace through the participation of Jordan and Palestinian representation consistent with the Camp David framework.

Before reviewing the current status of the President's initiative, I should like to comment on two key aspects.

First, the September 1 initiative is not a "plan" or blueprint to be imposed on the parties. Rather, the President has put forward a balanced set of positions that the United States is prepared to support in the course of negotiations. We have pointed out that we cannot guarantee the outcome of the negotiating process on any specific issue. The negotiations, if they are to be successful, must be free to move in productive directions that cannot be foreseen in advance. It has been made clear to all parties involved that these are our positions and that we stand firmly behind them. Should the parties agree on positions at variance with our proposals, however, we will not blindly stand our ground.

Second, the President's positions regarding the final status of the West Bank and Gaza have generated much interest and commentary. This is understandable since the future of those territories is of keen interest to Palestinians and Israelis alike. It is for this reason that the President felt it necessary to state that the United States would support neither an independent Palestinian state nor Israeli

sovereignty or control over the West Bank and Gaza.

It is important to note, however, that when negotiations resume the next item on the agenda will not be the ultimate status of the territories but the transitional arrangements to be established in the West Bank and Gaza for a 5-year period. Only after that transitional period has begun, can negotiations be undertaken on the final status of the territories.

What, then, is the status of the President's initiative? We have had a highly constructive visit by a delegation representing the Arab League, and we have seen positive movement in the direction the President has outlined. King Hussein has publicly stated his willingness to discuss the proposals, and a serious dialogue between Jordan and

confident that the Israeli Government will not refuse to negotiate.

I am optimistic that the President's initiative will soon lead to a resumption of negotiations with broadened participation. My optimism is based on my conviction that the President's initiative provides the best means to move toward a peace that will meet the legitimate rights of the Palestinian people and at the same time assure the security which Israel so avidly seeks and so richly deserves.

Israeli-Egyptian Relations

There is important unfinished business with regard to the Israeli-Egyptian Peace Treaty. The Taba border area between Israel and Egypt remains contested. It is now time to resolve this issue according to the provisions of the

Egypt has been publicly supportive of the President's initiative. The Israeli Government . . . has been and remains highly critical of some aspects of the President's proposals. These proposals, however, continue to receive intense attention in Israel by the government and the public alike.

the PLO is continuing. We remain hopeful that this activity will lead to an early move to the negotiating table by Jordan with the support of other key Arab parties.

Egypt has been publicly supportive of the President's initiative. The Israeli Government, as you are aware, has been and remains highly critical of some aspects of the President's proposals. Those proposals, however, continue to receive intense attention in Israel by the government and the public alike. And if King Hussein comes to the table, we are

Treaty, just as it is now time to place the various elements of the broader peace process on a firm foundation.

Americans can take pride in our policy toward the Middle East. It is a policy which has been developed in consultation with this committee and other members of Congress. We welcome this continuing consultation; it strengthens our policy and contributes to an American consensus.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Securing a Peaceful Future for Lebanon

by Kenneth W. Dam

Address before the Chicago Law Club, Chicago, Illinois, on December 2, 1982. Mr. Dam is Deputy Secretary of State.¹

I am delighted to be home in Chicago and to see so many of my old friends. This distinguished club promotes a vision of law and stability that contrasts sharply with the turbulent international arena with which George Shultz and I must deal.

Those of you who are involved in the law know that sound laws require a mixture of idealism, strength, and pragmatism. So, too, does a sound foreign policy. By drawing on America's strength and the pragmatism of its people and, above all, our ideals, President Reagan has reasserted U.S. leadership in world affairs. Today we can be proud that American initiatives are the best hope for progress on the great issues of our day from Middle East peace to arms control to the Caribbean Basin.

A short time ago, the President charged me with responsibility for coordinating our work in Washington on one such issue, the future of Lebanon. Some Americans may wonder why we are concerned about such a small country so far away. Others may ask why U.S. troops are in Lebanon and how long they must stay. Americans are right to ask these questions; so tonight let me address them in turn: Why is America involved in Lebanon? What are our goals? And what must we do to secure a peaceful future for Lebanon?

The desolation in Beirut today belies its past role as the Paris of the Arab world. The occupation of Lebanon by foreign forces contradicts its deep tradition of democracy and sovereignty. Our dismay at the resulting division of the country is deepened by the promise of what might have been and by the knowledge that Lebanon's future was engulfed by its neighbors' disputes.

The Arab-Israeli wars of 1948 and 1967 brought thousands of embittered

Palestinian refugees into Lebanon, straining the social fabric of the country. In 1970, these Palestinians were joined by large numbers of Palestine Liberation Organization (PLO) fighters that had been expelled from Jordan. Lebanon became an armed camp. Civil war broke out in 1975 among PLO, Christian, and Muslim forces. Syrian troops entered and remained under an Arab League mandate to maintain order. But order was not restored. PLO fighters harassed northern Israel; Israeli defense forces retaliated; Syrian and Christian forces clashed. Lebanese civilians—and Lebanese sovereignty—were caught in the crossfire. And a nation's agony became an international crisis.

This was the situation the Reagan Administration faced in the spring of 1981, when Ambassador Philip Habib [President's special emissary to the Middle East], at the President's direction, negotiated a cease-fire in southern Lebanon. Last spring, however, destabilizing forces prevailed, and the cease-fire disintegrated. Israel then sent its forces into Lebanon in order, in the

The desolation in Beirut today belies its past role as the Paris of the Arab world. The occupation of Lebanon by foreign forces contradicts its deep tradition of democracy and sovereignty.

words of the Israeli Cabinet, "to place all the civilian population of the Galilee beyond the range of the terrorist fire from Lebanon." The fighting advanced to the threshold of Beirut, and Ambassador Habib was called on again. The peaceful departure of PLO forces from Beirut last August was a tribute to his efforts and to the multinational force that stood guard over the evacuation. Indeed, those who complain about a lack of cooperation among the Western

democracies should note how American, French, and Italian troops stood together to assist the Lebanese. Those soldiers were truly soldiers of peace.

But triumph was followed by tragedy. In quick succession, Lebanon's newly elected President, Bashir Gemayel, was assassinated, and Palestinians were slaughtered in their camps.

Why Are We Involved?

This is a sad history. The Lebanese sought peace and found destruction; they sought freedom and found occupation. This led Lebanon's new president, Amin Gemayel, to plead before the United Nations, "We have had enough, enough of bloodshed, enough of destruction, enough of dislocation and despair."

In October our nation once again sent Marines to Lebanon in response to Gemayel's request and the plight of his people. Together with French and Italian forces, those Marines are there to assist the Lebanese Government in restoring peace. In meeting this moral obligation, they reaffirm what President Reagan has termed our "irreversible commitment to the territorial integrity of friendly states" and our "traditional humanitarian concerns" for those who suffer injustice.

Our commitment to Lebanon, however, is consistent not only with our sense of morality, but also with our national interest. Peace—the solution to Lebanon's suffering—is also the solution to our strategic and diplomatic concerns in the Middle East.

The future of Lebanon is linked strategically to the entire Middle East region. Located at the vital eastern end of the Mediterranean, bounded by the oil-rich nations of Africa and Asia, that region lies in the shadow of vast Soviet military power. To the extent that Lebanon is a flashpoint for regional conflict, it is also a potential source of international conflict. Promoting stability in Lebanon and the Middle East is thus vital to our security and that of other industrial democracies.

Diplomatically, the United States plays a central role in the Middle East because Israel and the Arab states recognize that America is the only credible catalyst for a wider peace. We must,

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however, demonstrate our ability to sustain this role by resolving the Lebanese crisis. Such a resolution would contribute to the long-term security of Israel and to the momentum for a comprehensive peace created by the President's historic initiative of September 1. There should be no mistaking the fact that there are others, whose interests are inimical to ours, who are prepared to exploit our failure to resolve these issues.

These are the concerns—moral, strategic, and diplomatic—that underlie our policy in Lebanon and that led to the presence of U.S. Marines in Beirut. What, then, is the objective of that policy and the mission of those troops?

Objective

Our objective is straightforward. We seek to restore Lebanese sovereignty and insure Israeli security. These are not separate objectives. A stable, sovereign Lebanon and a secure Israel are two sides of the same coin. The threat to Israel does not come from the Lebanese people but from foreign forces that have usurped Lebanese sovereignty and are still camped on Lebanese soil. It follows that a peaceful Lebanon, free of all foreign forces and sovereign over all its territory, will make a major contribution to Israeli security. To achieve this objective, we and the responsible international community support a three-part strategy in Lebanon:

First, withdrawal forthwith of all foreign forces from Lebanon;

Second, restoration of Lebanese Government sovereignty and strengthening of the Lebanese Armed Forces; and

Third, reestablishment of a Lebanese national consensus and reconstruction of the Lebanese economy.

This strategy in support of the Lebanese Government is designed to achieve peace and security for both Lebanon and Israel. The withdrawal of all foreign forces will remove a threat to Israel's border. Restoring Lebanon's sovereignty and strength, and rebuilding its economy, will prevent that threat from returning. The United States is moving now to implement all three parts of this strategy. Let me address each of those efforts in detail.

What Are We Doing To Implement Our Strategy?

Withdrawal of Foreign Forces.

America's diplomatic energy is focused now on bringing about the immediate withdrawal from Lebanon of all foreign forces—Israeli, Syrian, and PLO. To succeed, we must meet the legitimate interests of each of the parties through practical security arrangements. Three sets of negotiations will be involved: negotiations between Lebanon and Israel, between Lebanon and Syria, and between Lebanon and the PLO.

The United States will participate directly at the table in the first set of negotiations between Lebanon and Israel. In these talks we will seek security arrangements that will permit Israel to withdraw its forces with the knowledge that southern Lebanon will never again be used to launch assaults on Israeli citizens.

Israel also desires establishment of normal relations with Lebanon as a way of safeguarding the peace. This is an important goal. But progress toward more normal relations must be approached carefully lest it undermine Lebanon's credentials in the Arab world. Moreover, ill-timed or forced normalization may actually threaten Israel's security if it should lead to the breakdown of the Lebanese national consensus, thereby inviting the return of hostile forces.

The second set of negotiations—between Lebanon and Syria—is designed to achieve Syrian troop withdrawal. The Syrians, citing their 1975 Arab League mandate to maintain order in Lebanon, have said they will not withdraw unless Israeli forces are also withdrawn. Although we will not be directly involved in these talks, Ambassador Habib will play a role with interested parties. We expect that agreement for withdrawal of Israeli forces will also lead to Syrian agreement to withdraw.

We will not be involved in the third set of negotiations—between Lebanon and the PLO—because it is U.S. policy not to “recognize or negotiate with the PLO so long as the PLO does not recognize Israel's right to exist and does not accept UN Security Council Resolutions 242 and 238.” We will, however, make our views known through friendly governments. As in the case of the withdrawal of PLO fighters from Beirut, the United States is prepared to provide its good offices in bringing about the withdrawal and resettlement of the PLO forces still in Lebanon. Such withdrawal

will be facilitated if Palestinian civilians in Lebanon feel secure. The Lebanese Government must provide such security. To this end, we will help strengthen Lebanese Government authority and the Lebanese Armed Forces.

It is a fact that none of these talks has begun. The Israeli-Lebanese negotiations could provide a stimulus for the others, but they have been stalled by debate over the level and location of the talks. Last week President Gemayel proposed a compromise solution on the diplomatic level of these negotiations. The Israeli Cabinet recently adopted that solution but remained firm in its insistence that talks take place in Beirut and Jerusalem.

The current Israeli position is unacceptable to the Lebanese Government. The success and stability of that government depend on the support of those within Lebanon and throughout the Arab world for whom the status of Jerusalem remains a crucial issue. The United States acknowledges the importance of Jerusalem to Israel and to all Arab states. But insistence on a Jerusalem venue should not be made an obstacle to negotiations on the withdrawal of external forces from Lebanon.

The present situation is clearly intolerable. Syrian, PLO, and Israeli forces remain poised in the field. The continued occupation of Lebanon by foreign forces—forces that imperil Lebanese sovereignty and threaten Israeli security—is dangerous and should be unacceptable to the parties. The task is to get the dispute out of the trenches and onto the table. Wrangling over procedures must end, and substantive negotiations must begin.

Restoring Lebanese Sovereignty and Strengthening Their Armed Forces. The withdrawal of foreign forces from Lebanon could leave an internal vacuum. To prevent the reinfiltration of those who would threaten Lebanon or Israel or both, withdrawals must be accompanied by steps to restore Lebanese Government sovereignty and strengthen the Lebanese Armed Forces.

The United States will join the international community in this effort. We have offered to help provide equipment and training to the Lebanese Armed Forces for four brigades by February and seven brigades thereafter. It is our judgment that this force structure will be sufficient to maintain internal security and protect Lebanese sovereignty.

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While the Lebanese Armed Forces are being strengthened, the international community will have to help maintain stability. An expanded multinational force, including U.S. participation and additional national contingents, may well be necessary. Indeed, we have already received such a request from the Lebanese Government.

As in the case of the present U.S., French, and Italian troops, any expanded multinational force would bolster the parties' confidence in security arrangements that will facilitate the withdrawal of foreign forces. The Lebanese Armed Forces will continue to provide internal security, and the U.N. International Force in Lebanon (UNIFIL) should retain its crucial peacekeeping role. As the effectiveness of the Lebanese Armed Forces increases, the tasks of the multinational force will decrease, permitting a phased withdrawal.

Economic Reconstruction and National Reconciliation. Lebanese sovereignty and Israeli security, however, cannot be achieved by military measures alone. The economy of Lebanon has been shattered. To bring about a peace that is not merely the absence of fighting but the well-being of the people, withdrawal of foreign forces must be coupled with an effort to reconstruct the Lebanese economy. The challenge seems staggering. But all that is needed is a period of political tranquility and some help in rebuilding Lebanon's roads, water system, and schools. The Lebanese people—with their entrepreneurial skill, spirit, and resilience—can take care of the rest themselves.

It is impossible to cite an exact figure for total reconstruction costs. The U.S. Government, however, stands ready to cooperate with the efforts of the Lebanese and the international community. Since June we have made available \$82 million in emergency relief and rehabilitation funds. We are planning to authorize another \$30 million to guarantee housing and services for the poorest communities. This money is an investment in stability. It indicates American support for Lebanese national reconciliation and strengthens Lebanon's central government.

Further aid should come from Arab and Western donors, including the World Bank. Indeed, the World Bank is already taking an active role in assessing priorities for all potential donors and is willing to coordinate the matching of

donor resources and Lebanese needs. It sent a reconnaissance team to Lebanon, and its report should be available by January 1983.

Conclusion

The challenge of rebuilding a peaceful Lebanon, free of all foreign forces and sovereign over all its territory, is a daunting one. But the President is determined not to allow the opportunity for peace to slip away and the spark of war to be ignited again.

The objective of our Lebanon policy is, I repeat, a fully sovereign Lebanon and a secure Israel. We pursue this objective because it is both right and in our national interest. We have seen that our responsibilities did not end with the mere cessation of hostilities. America

alone has the power and credibility, and hence the duty, to help bring to Lebanon a stable and lasting peace that answers the basic security needs of Lebanon's neighbors. After all, Lebanon seeks and deserves what America already has, even though we may not always appreciate our blessings.

The sovereignty of the Lebanese Government must extend to the borders of the state. We have a name for that: We call it freedom. The opportunities of the Lebanese people must be made commensurate with their aspirations, and we have a name for that: We call it democracy. And the lives of their children must be made secure and full of hope. We have a name for that: We call it peace.

¹Press release 362 of Dec. 6, 1982. ■

Nuclear Energy: Opportunities and Problems

by Richard T. Kennedy

Address before the American Industrial Forum and the American Nuclear Society in Washington, D.C., on November 17, 1982. Ambassador Kennedy is Under Secretary for Management and U.S. permanent representative to the International Atomic Energy Agency (IAEA).

Forty years ago, in December 1942, in a laboratory under the stands at Alonzo Stagg Stadium in Chicago, an international team of engineers and scientists created the first sustained and controlled nuclear chain reaction. Their success that night changed the world for all time. And it brought to the world some of its most awesome opportunities and some of its gravest problems. Their work opened many doors and afforded opportunities for good things—to light our cities, to power our factories, to diagnose and cure the illnesses of mankind. But their work also made possible the manufacture of nuclear explosives and brought problems we still are wrestling with today. And that is what I want to talk about tonight—the opportunities and the problems we have before us and what they may mean for the future of the nuclear industry, the people of the world, and ultimately the future of life on our planet.

From the dawn of this new age, U.S. policy has had two fundamental objectives. From the first, we have tried to prevent the further spread of nuclear weapons. At the same time, we have continuously sought to make the peaceful benefits of nuclear energy—the most astounding technology of the age—available for all mankind. Those twin goals are enumerated in the statute of the International Atomic Energy Agency (IAEA), and they are enshrined in the Nonproliferation Treaty. They are not mutually exclusive; indeed, they are compatible and complementary. Those goals are the goals of the Reagan Administration today.

Some have alleged that this Administration does not have a nonproliferation policy. Nothing could be further from the truth. President Reagan articulated in clear, unmistakable terms in July 1981 the policy of this Administration—a policy which has been pursued ever since. But let me emphasize that the policy of this Administration is not a radical departure from that of the past.

In historic terms, the dual goals we profess today were the bases of the Atoms for Peace program which President Eisenhower announced in his December 1953 address to the U.N. General Assembly. That program was undertaken at a time when we possessed a virtual monopoly on peaceful nuclear technology. But we believed then, as we

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still believe, that the benefits of the peaceful uses of nuclear energy should be available for all the peoples of the world. It also has been true from the outset that all must share in the commitment and the burden to assure against its potential problems. Thus, we sought in the Atoms for Peace program to create an international regime that could, in an orderly way, begin to deal not only with the opportunities of nuclear energy but with its problems as well.

Nonproliferation Position

We do not believe that nuclear power necessarily means nuclear bombs. Rather our position is founded on the notion that the peaceful use of nuclear power does not, per se, present a proliferation risk. This is the bargain implicit in the nuclear nonproliferation treaty—that nations which renounce the idea of nuclear weapons can and should enjoy the benefits of nuclear power. I regret that this relationship has been widely misinterpreted and misunderstood. Some allege that this implies nuclear commerce conducted without regard to its potential problems and dangers. They would argue that thus our policy is critically flawed. Perhaps this misunderstanding arises because the thesis is not a simple one; perhaps because we have not explained our position well enough. Whatever the reason, I repeat, this is a misunderstanding of our objectives and of our policy.

Our strong commitment to the goal of preventing further proliferation rests on the very valid—I think indisputable— notion that the spread of nuclear weapons to additional nations could eventually mean the end of world order as we know it. The spread of nuclear weapons endangers not only American security interests, it is equally threatening to the security and well-being of every country on Earth—a fact which they should understand.

To realize our nonproliferation objectives, as President Reagan has made clear, we are working to inhibit the spread of sensitive technologies, facilities, or material, particularly where there is a danger of proliferation. We also are working with other suppliers to strengthen the international rules of nuclear trade. These steps are important elements in our policy, but it would be a mistake to think that the policy could rest on export controls alone. They can buy time. But we must use that time wisely to get at the causes and not simply the symptoms of proliferation.

There are many countries today—especially the highly developed industrial nations—which could produce nuclear explosives if they chose to do so. But they do not for a number of diverse reasons. Their security does not require it, their perceived political interests do not warrant it, or their domestic political opinion will not accept it. The basic causes of proliferation, in other words, are not present.

Yet, we cannot be blind to the fact that there are serious proliferation risks in several regions of the world. Where there is such a risk, this Administration is trying to get at the root causes which might impel a nation to embark on a weapons program. We seek to improve regional stability and to lessen tensions and security concerns. We must try to convince those who might be bent on such a course that acquisition of nuclear weaponry will not promote their security. For the plain truth is the opposite: The further spread of nuclear weapons will not enhance anyone's security. Instead, it will promote instability and rivalry, and it could lead to tragic miscalculations for all.

Where animosities are old and stubborn, the lessening of regional tensions is an exceedingly difficult task. But, we must use the tools we have—political, diplomatic, security—to assuage old passions, to reduce those tensions, and to foster a stable order.

The Nonproliferation Treaty and the Latin American treaty of Tlatelolco are critical instruments in the attack on the causes of proliferation—116 non-nuclear-weapons states today adhere to the Nonproliferation Treaty and 22 countries have embraced Tlatelolco. Thus, an overwhelming majority of nations in the world accept the idea that renouncing nuclear explosives is entirely compatible with and, indeed, essential to their security. We can and will continue our strenuous efforts to achieve universal adherence to the Nonproliferation Treaty and full implementation of Tlatelolco.

To achieve our nonproliferation goals, we must also maintain a position as a leading and reliable nuclear exporter. For only from this position can we expect to influence international standards and norms in a way consistent with our own nonproliferation goals.

We reject the unilateral approach of yesteryear because, in a word, times have changed. America can no longer call the shots by itself. We no longer possess a monopoly on nuclear technology. Common sense tells us that we must

take this fact into account as we fashion our policies. We must view the world as it is; not as it once was; not as we would like it to be in our imaginings. This realistic view will, I suggest, better help us to achieve our nonproliferation goals.

It follows then that we are seeking to insure that our domestic nuclear industry can compete on a fair and equitable basis with the nuclear industries of other supplier nations. But this must be a cooperative effort. For a refusal to recognize the existence of very real proliferation risks and the sacrifice of nonproliferation goals in the pursuit of commercial and economic advantage cannot be the policy of any responsible state.

Support for the IAEA

As we recognized both the opportunities and the problems of nuclear energy, we also saw the need 25 years ago for an agency which could address both. Since its beginnings, we have vigorously supported and relied heavily on the International Atomic Energy Agency. For most of these 25 years the IAEA worked quietly and effectively.

But as with many such institutions, its growth and development have not come without some pain, some dissidence. Unfortunately, political concerns which motivate nations, and which often excite great passions and rhetorical flourish, intrude. So it has been in recent years in Vienna. Increasingly, political concerns, which we and many others believe to be extraneous to the mission and purposes of the agency, began to corrode the atmosphere of its deliberations. Pressures mounted last year, but sensible heads prevailed and accommodations were found.

Unfortunately, at the agency's general conference last September, a majority of member states violated the statute and illegally rejected the credentials of another member state. The U.S. delegation withdrew from the conference, as it was pledged to do, and we began a serious, thorough assessment of the nature and extent of our participation in the agency. I cannot tell you tonight what the outcome of the reassessment will be, but I can share with you some thoughts about how the problem looks to us.

Let us recall why the IAEA came to be. As its statute makes clear, the agency has two equally important goals:

First, to encourage the peaceful uses of nuclear energy so as to realize

that technology's enormous potential benefits mankind; and

Second, to provide effective international safeguards against the misuse of the technology.

Each of these missions is vital. Together they give the institution its philosophical underpinnings. The member states are pledged to accept and support each of these missions. But the agency cannot achieve its dual goals if extraneous political issues divert attention from its legitimate tasks, generate controversy and confrontation, and sap its effectiveness. Nor can the agency function effectively if its members are willing to violate its statute, as when they illegally rejected a member state's credentials. That is why we are so concerned about what has been happening in Vienna culminating in the events of this past September.

The agency, after all, is the sum of its membership. It is a democratic institution, governed by democratic principles. If the members do not support and abide by the principles in its statute, if they are unwilling to rededicate themselves to those principles, the institution will inexorably decline.

We have strongly supported the agency from its earliest beginnings. We continue to hope that it can live up to the promise of its founding, bringing the benefits of the peaceful atom to the world under an effective safeguards regime. To make that possible—and so to assure that its next 25 years can be as fruitful as the first 25—a renewed dedication to that goal by all of its members is essential. If, on the contrary, the trend toward heightened extraneous political debate cannot be reversed, the IAEA's future may be bleak.

The stakes are considerable. Effective international safeguards are an important component of the international nonproliferation regime. The IAEA's technical assistance program helps a growing number of countries. And international nuclear commerce, as we understand it today, depends in no small measure on the success of this agency. I mean this in real terms but also in terms of the perceptions of the political authorities around the world. If the agency is seen to be weak, divided, and inconstant; if its actions are seen to be inconsistent with its statute, then questions inevitably will arise about the agency's ability to carry out its work—about our ability to prevent the misuse of this powerful force. From that time forward, more efforts will be devoted to restraining commerce, more

issues of reliability will arise, and it will be all the more difficult to realize the atom's peaceful benefits. The efforts of nearly three decades will be jeopardized.

In the final analysis, it really comes down to the attitude of the member states. We have reached a critical turning point in the history of the IAEA. The members must now decide which course the agency will pursue. For our part, we want to see the IAEA reinvigorated and refocused on the principles on which it was founded.

Our objective is now, as it always has been, an independent agency in which the international community can continue to repose its confidence, an agency that can be relied upon to carry out faithfully the purposes enumerated in its statute. Achieving that requires a change in the attitudes of many members. And it requires a commitment from all members, not just a few, to the fundamental principles on which the institution was created. That is a tall order, but one which we believe can be achieved. That is our objective.

which have solemnly renounced nuclear weaponry by adhering to the Nonproliferation Treaty. Striking that balance, I am optimistic. I believe that there is still a solid basis for hope. I do not believe that a world with many more nuclear powers is inevitable. That notion, in my view, is the counsel of despair. Widespread nuclear proliferation is avoidable. But to accomplish that goal requires skill, common sense, and careful diplomacy; and hard work, I might add.

It is not, as I'm sure you will agree, a simple issue. It is not, and should not be, a partisan issue. It does not lend itself to speedy solutions in neat little packages. The solutions we seek cannot be reduced to catchy slogans. Achieving our nonproliferation goals requires patience and sober, deliberate action. It requires cooperation with our friends and allies, firmness with our adversaries. It requires support for sensible long-term goals and policies of our government by industry and public alike even where there may be some short-term seeming

Twenty years ago, many . . . seriously anticipated a world with 25 to 30 nuclear-weapons states by the beginning of the 1980s . . . today there are only five . . . and India has carried out a so-called peaceful nuclear explosion. Against that, there are 116 states . . . which have solemnly renounced nuclear weaponry by adhering to the Nonproliferation Treaty.

Future Prospects

What about the future? Is there a basis for optimism? I say emphatically: "Yes." Twenty years ago, many academics and even some policymakers seriously anticipated a world with 25 to 30 nuclear-weapons states by the beginning of the 1980s. Although technical capabilities have slowly spread, those gloomy forecasts, thank heaven, have not come to pass.

Instead, today there are only five¹ declared nuclear-weapons states, and India has carried out a so-called peaceful nuclear explosion. Against that, there are 116 states, as I mentioned earlier,

disadvantage or setback. We must stand together in this effort for there are no quick fixes or short-term palliatives. What we do today will have its effects for decades to come.

As we are committed to see the fulfillment of the promise of nuclear energy, so too are we committed to assuring that the essential safeguards and nonproliferation controls are in place. But our objectives cannot be achieved by fiat or by unilateral action on our part alone. Only through the shared commitment and cooperative efforts of nations working together can we succeed. But succeed we must.

¹ Of these, the United States, United Kingdom, and U.S.S.R. are parties to the Nonproliferation Treaty. ■

Call for Soviet Withdrawal From Afghanistan

Following are a statement by Ambassador Jeane J. Kirkpatrick, U.S. permanent representative to the United Nations, in the U.N. General Assembly on November 24, 1982, and the text of a General Assembly resolution adopted on November 29, 1982.

AMBASSADOR KIRKPATRICK'S STATEMENT, NOV. 24, 1982¹

Once again the issue of Afghanistan is before the General Assembly. Once again, in what is by now a familiar exercise, one representative after another will come before this body to decry the Soviet invasion of Afghanistan and the continuing and increasingly brutal attempt to subjugate the Afghan people. And once again we will consider, and hopefully adopt by another overwhelming majority, a resolution calling for the withdrawal of the Soviet occupation force, respect for Afghanistan's right of self-determination, restoration of Afghan independence and nonalignment, and the return of the Afghan refugees to their homes in safety and honor.

The familiarity of this exercise must not be allowed to detract in any way from its extraordinary significance. Of all the issues before this assembly, none has more far-reaching implications than the issue of Afghanistan. The aggression committed by the Soviet Union in Afghanistan and its proxies elsewhere has had and continues to have a great impact upon the climate and course of East-West relations. Such aggression ominously affects the entire fabric of international relations and the future of the state system based upon respect for the principles of territorial integrity, national independence, and political sovereignty. These actions bear directly upon the capacity of states, especially those most vulnerable, to retain their unique identities and to fulfill their aspirations in peace and security.

The Afghan people are fighting for their own survival, but their struggle has a much broader meaning. If a small, relatively defenseless, nonaligned country like Afghanistan is allowed to be invaded, brutalized, and subjugated, what other similarly vulnerable country can feel secure? If the fiercely independent

and incredibly courageous people of Afghanistan are uprooted, economically ravaged, culturally annihilated, and eventually subdued, the survival of other peoples—even those equally resilient—will be endangered.

The effort to subjugate the Afghan people and to impose upon them a form of alien and totalitarian rule has been marked by a degree of violence against the population that is exceeded in the recent past only by the terrible tragedy in Kampuchea. The crimes against the Afghan people have taken place far from the eye of world publicity, behind a tight curtain of totalitarian disinformation and thought control. Still, the story of the brutality has come out—as it often does in such situations—from refugee accounts and from reports of journalists and doctors who have ventured into the country.

One measure of the extent of the violence inflicted upon the Afghan people is the number of refugees uprooted from their homes and forced to flee to neighboring countries. When the illegitimate regime of Babrak Karmal was installed as a result of the Soviet invasion, the number of refugees in Pakistan had already reached 400,000. These refugees had fled the reign of terror unleashed against Afghanistan by the earlier Communist regimes of Taraki and Amin. Babrak promised an end to the methods of terror used by his predecessors. But in less than 3 years of his rule, the number of Afghan refugees in Pakistan and Iran has increased nearly tenfold to over 3 million, almost one-quarter of the estimated 1978 population of Afghanistan. This is the largest single refugee mass in the world for any one national group.

Even these figures fail to convey the full extent of the dislocation and suffering of Afghanistan, since there have been many hundreds of thousands of internal refugees who have fled from the rural areas where the fighting has been most intense. The depopulation of the countryside, it appears, has been the deliberate goal of Soviet scorched-earth policies in rural areas controlled by the resistance. As a result of the fighting in these provinces, many farmers have been unable to gather their crops and there is a danger this winter of famine.

The Soviet Offensive

The last General Assembly called upon the Soviet Union to withdraw its forces from Afghanistan. Far from respecting the decision of the assembly, the Soviets over the past year have augmented their forces in Afghanistan to approximately 105,000, and they have conducted their most ruthless, wide-ranging, and systematic offensive of the entire war. The heightened aggressiveness of the Soviet forces became evident in January when the Soviets bombarded, shelled, and occupied the resistance stronghold of Qandahar, Afghanistan's second largest city located some 250 miles southeast of Kabul. The brutal action in Qandahar, which resulted in high civilian casualties, was repeated 2 months later in Herat and Mazar-e Sharif and later in the spring against the northeastern town of Tashkurghan. In the early summer the town of Aq Gozar in the far northwest was rendered unfit for human habitation by systematic air and tank strikes.

As brutal as these attacks have been, the main thrust of the Soviet offensive took place closer to Kabul in the spring and summer of this year. The principal targets were villages in the Panjsher and Logar valleys and the Shomali region, and districts near Kabul, particularly the mountain town of Paghman located only 12 miles northwest of the capital. These attacks have been marked by indiscriminate bombardments of villages resulting in thousands of civilian casualties, many of them women and children. Survivors also relate that Soviet troops, frustrated in their search for resistance fighters, have committed numerous acts of terrorism against civilians.

In Qandahar, for example, accounts of rape and plunder by Soviet troops following last January's bombing shocked and alienated even the most enthusiastic apologists of the Babrak regime. According to eyewitness reports from the Shomali region, in one village all males over the age of 10 were shot in the presence of their female relatives. The Swedish journalist Borje Almquist, who visited the Lowgar Province in July and August, has described similar incidents in that area, as indeed such incidents have been reported from all over Afghanistan. According to Almquist, women, children, and old men were dragged into the street and executed, while civilians with their hands tied behind their backs were used instead of sand sacks for protection in street fight-

ing. He also reported the burning of harvests, the poisoning of food and drinking water, and the plundering of homes and shops.

The Soviets also continue to use antipersonnel "butterfly bombs" and boobytrapped objects—such as toys, cigarette packs, and pens—in gross violation of an international convention outlawing such weapons, which they themselves signed in 1981. Earlier this year a team of French doctors, which had returned from as far inland as the central highlands of Hazarajat, charged that the Soviets scatter such mines over fields, villages, and mountain paths, causing heavy casualties among inhabitants, especially among children who are the least wary. "We have treated many children whose hands and feet are blown up by such mines," said Dr. Claude Malhuret, a member of the French medical team. He also revealed that the Soviets, fearing that the French doctors might speak about what they had seen, destroyed their hospitals in an attempt to drive them out of the country.

Boobytrap mines are not the only outlawed weapons used by the Soviets against the people of Afghanistan. They continue to use chemical weapons in violation of both the Geneva Protocol of 1925 and the 1972 Biological Weapons Convention which they, along with 110 other countries, have ratified. Earlier this year the United States listed 47 known chemical attacks in Afghanistan. They began as early as 6 months before the invasion and have resulted in over 3,000 deaths. These attacks have continued. Just last September a Soviet soldier captured by the resistance, Anatoly Sakharov, said that he knew of three types of chemical agents used by the Soviets in Afghanistan. His testimony about the effects of one of them, a particularly deadly agent which he called "smerch," corresponds closely to reports given to the U.N. experts team by doctors working with refugees in Pakistan. The doctors noted that on several occasions after attacks on villages, "bodies had quickly decomposed, and limbs had separated from each other when touched." Sakharov also described a chemical attack on resistance fighters in which the Soviet soldiers had been ordered to use gasmasks. [On November 29, 1982, Secretary of State Shultz released Special Report No. 104, "Chemical Warfare in Southeast Asia and Afghanistan: An Update," which contains new information regarding the Soviet Union's continued use of illegal

chemical and biological weapons in Afghanistan, as well as in Laos and Kampuchea.]

Afghan Resistance

Nothing more clearly demonstrates the courage and resilience of the Afghan freedom fighters, or the Afghan people's universal hatred of the Soviet occupation, than the fact that the resistance forces remain intact and active throughout the country despite the massive violence that the Soviets have used against them. In the Panjsher and in Paghman, for example, the Soviets were able to establish footholds as the *mujahidin* melted into the hills. But as soon as the main invading force withdrew, the resistance overran the newly established government outposts and regained control of these positions. Similarly, savage bombardments in the Shomali temporarily drove the *mujahidin* back from the main roads but in no way broke their organization. Even in the devastated city of Qandahar the freedom fighters have been able to mount operations against the occupying forces, the most notable being a spectacular jailbreak and freeing of prisoners last August. Destroyed Soviet tanks and transport vehicles litter the roadsides throughout Afghanistan, testimony to the Soviets' continuing inability to establish security in the countryside or control over the population.

The most glaring and revealing failure of the Soviets has been their inability to build the various branches of their puppet regime's armed forces into effective units that could take over the brunt of the fighting. To date it appears that no progress has been made in this key area. Recent measures to overcome the critical manpower shortage in the Afghan Army—including the toughest draft decree yet issued, indiscriminate arrests and beatings of those resisting conscription, and incentive payscales for recruits almost equal to sub-Cabinet salaries—have been fruitless. As a consequence, press gangs have returned to the streets of Kabul and provincial cities, and young men have been forcibly conscripted in house-to-house searches. The futility of these various measures was demonstrated during the summer fighting when large-scale defections, surrenders, and desertions by Afghan soldiers led to a net loss of military personnel.

The failure of the Soviets to break the resistance by military means and the

self-evident fact that the Soviet aggressors and their Afghan proxies are rejected by the Afghan people have not caused the Soviets to relent in their desire ultimately to subjugate the country. Instead, they show every sign of pursuing a long-term strategy, looking on the one hand to the gradual wearing down of the resistance through attrition and on the other hand to the military, economic, and social integration of Afghanistan into the Soviet sphere.

The Soviets have already taken significant steps in this direction. They have consolidated their military, transport, and communications infrastructure, including the expansion of existing air fields and the completion of the bridge across the Amu Darya River. They have tightened their grip on the strategic Wakhan corridor, which rests on Pakistan's northernmost border and links Afghanistan with China, and they have tied Afghanistan's economy tightly to those of the Soviet bloc through a proliferation of economic and trade agreements.

Perhaps most significant is the Soviet effort to reshape Afghan culture and to replace the decimated intellectual and middle classes with a new elite trained in the Soviet mold. Thousands of Afghans, including even children between the ages of 6 and 9, are being trained in the Soviet Union and other bloc countries, while the Afghan educational system itself is being restructured along Soviet lines. The Sovietization of Kabul University is made evident by the presence of Soviet advisers at all levels of administration and instruction and in the preference given to party activists in admissions. The curriculum of Afghanistan's primary education system has been redrawn to promote indoctrination in Marxist-Leninist ideology and to prepare young Afghans for further study in the Soviet Union.

It is in light of these policies—and the continuing escalating, savage Soviet military involvement—that we must view Moscow's repeated claim that the Great Saur Revolution of April 1978 is "irreversible." But what, one may legitimately ask, gives the Soviet Union the right to insist that the violent overthrow of a nonaligned government constitutes an "irreversible" revolution? According to what tenet of international law, on the basis of which article of the U.N. Charter, do they base their position? One would think that it is the Afghan people, and only the Afghan people, who

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have the right to determine whether the events of 1978 are or are not "irreversible."

In fact, the Afghan people made their decision long ago. They rejected a revolution the chief accomplishment of which before the Soviet invasion was the arrest, torture, and execution of tens of thousands of Muslim clerics, teachers, civil servants, doctors, and engineers. They rejected a revolution the cruelty and sadistic violence of which are best symbolized by the mass burial pits outside Pol-e Charkhi prison and the massacre at Kerala. They rejected a revolution which systematically assaulted Islam and Afghan nationhood and turned their proud country over to its predatory northern neighbor.

They expressed this rejection in the form of a spontaneous, countrywide resistance movement. By invading Afghanistan in order to crush this resistance and maintain in power a hated, Marxist regime, Moscow took a momentous step which signaled the expanding scope of its political and territorial ambitions. In effect, for the first time it was claiming the right to apply the Brezhnev Doctrine to a previously nonaligned, Third World country.

International Rejection of Soviet Occupation

The world has not permitted this act of expansion and aggression to go unchallenged. It has rejected the claim advanced by Soviet propaganda that it is providing "fraternal assistance" to Afghanistan with its "limited military contingent." These words ominously echo assurances which were given to Afghanistan itself 60 years ago when it protested the entry of Soviet troops into two of its neighbors, the independent Muslim states of Khiva and Bokhara. Let me quote from a letter which the Soviet Ambassador in Kabul sent to the Afghan Ministry of Foreign Affairs on February 20, 1922:

Concerning the question of the independent status of Khiva and Bokhara, this has been provided for in the treaty agreed to and signed by the two governments of Russia and Afghanistan. The Government which I represent has always recognized and respected the independence of the two Governments of Khiva and Bokhara. The presence of a limited contingent of troops belonging to my Government is due to temporary requirements expressed and made known to us by the Bokharan Government. This arrangement has been agreed to with the provision that whenever the Bokharan Government so requests,

not a single Russian soldier will remain on Bokharan soil. The extension of our friendly assistance in no way constitutes an interference against the independence of the sovereign State of Bokhara.

Today, 60 years later, the Soviet Union provides the same justification and the same assurances with respect to its invasion of Afghanistan. It is useful,

therefore, to reflect upon the ultimate fate of Khiva and Bokhara. Two years after the Soviet Ambassador gave his assurances to the Government of Afghanistan, the Soviet Union annexed Khiva and Bokhara. Their languages, Turkish and Persian were abolished and replaced by pseudolanguages fabricated by Soviet linguists. These languages,

U.N. GENERAL ASSEMBLY RESOLUTION A/37/37, NOVEMBER 29, 1982¹

The General Assembly,

Having considered the item entitled "The situation in Afghanistan and its implications for international peace and security",

Recalling its resolutions ES-6/2 of 14 January 1980, 35/37 of 20 November 1980 and 36/34 of 18 November 1981, adopted at the sixth emergency special session, the thirty-fifth session and the thirty-sixth session, respectively,

Reaffirming the purposes and principles of the Charter of the United Nations and the obligation of all States to refrain in their international relations from the threat or use of force against the sovereignty, territorial integrity and political independence of any State,

Reaffirming further the inalienable right of all peoples to determine their own form of government and to choose their own economic, political and social system free from outside intervention, subversion, coercion or constraint of any kind whatsoever,

Gravely concerned at the continuing foreign armed intervention in Afghanistan, in contravention of the above principles, and its serious implications for international peace and security,

Noting the increasing concern of the international community over the continued and serious sufferings of the Afghan people and over the magnitude of social and economic problems posed to Pakistan and Iran by the presence on their soil of millions of Afghan refugees, and the continuing increase in their numbers,

Deeply conscious of the urgent need for a political solution of the grave situation in respect of Afghanistan,

Taking note of the report of the Secretary-General,²

Recognizing the importance of the initiatives of the Organization of the Islamic Conference and the efforts of the Movement of Non-Aligned Countries for a political solution of the situation in respect of Afghanistan,

1. *Reiterates* that the preservation of the sovereignty, territorial integrity, political independence and non-aligned character of Afghanistan is essential for a peaceful solution of the problem;

2. *Reaffirms* the right of the Afghan people to determine their own form of government and to choose their economic, political

and social system free from outside intervention, subversion, coercion or constraint of any kind whatsoever;

3. *Calls* for the immediate withdrawal of the foreign troops from Afghanistan;

4. *Calls upon* all parties concerned to work for the urgent achievement of a political solution, in accordance with the provisions of the present resolution, and the creation of the necessary conditions which would enable the Afghan refugees to return voluntarily to their homes in safety and honour;

5. *Renews its appeal* to all States and national and international organizations to continue to extend humanitarian relief assistance, with a view to alleviating the hardship of the Afghan refugees, in coordination with the United Nations High Commissioner for Refugees;

6. *Expresses its appreciation and support* for the efforts and constructive steps taken by the Secretary-General in the search for a solution to the problem;

7. *Requests* the Secretary-General to continue these efforts with a view to promoting a political solution, in accordance with the provisions of the present resolution, and the exploration of securing appropriate guarantees for non-use of force, or threat of use of force, against the political independence, sovereignty, territorial integrity and security of all neighbouring States, on the basis of mutual guarantees and strict non-interference in each other's internal affairs and with full regard for the principles of the Charter of the United Nations;

8. *Requests* the Secretary-General to keep Member States and the Security Council concurrently informed of the progress towards the implementation of the present resolution and to submit to Member States a report on the situation at the earliest appropriate opportunity;

9. *Decides* to include in the provisional agenda of its thirty-eighth session the item entitled "The situation in Afghanistan and its implications for international peace and security".

¹ Adopted by a vote of 114 to 21 (13 abstentions and 9 absent or not voting). ■

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Uzbek and Tadzhik, were mere dialects of Turkish and Persian but were transcribed into Latin and later Cyrillic script. Mosques were closed or changed into museums and Koranic education was abolished. The surviving members of the local factions the Soviets had supported with their invasion were executed on charges of "bourgeois nationalist deviationism" and replaced by young bureaucrats trained in new Soviet schools.

Is history repeating itself today in the case of Afghanistan? If we are to judge from Soviet actions to date, it is hard not to conclude that they intend that history shall repeat itself, if not through the formal annexation of Afghanistan, then through its de facto absorption into the Soviet empire. And if this is allowed to happen, can anyone be reasonably assured that this will be the end of the process, that there are not future Khivas and Bokharas and Afghanistans that await a similar fate?

It is not, therefore, simply moral considerations and human solidarity that link us to the fate of the Afghan people. At stake in their struggle is respect for the principles of the U.N. Charter; the principles of the non-use of force; and respect for the territorial integrity, national independence, and political sovereignty of states. Without this respect, world politics would succumb to anarchy and domination by the most ruthless, expansionist predator.

We cannot—we must not—permit this to happen. The Soviet leaders undoubtedly believed when they launched their invasion of Afghanistan that they could deal with the international reaction by waiting patiently for the world's outrage to subside. The General Assembly can take great credit for frustrating this strategy. Passage of time has not served the aggressor. Indeed, the adoption of resolutions on Afghanistan by increasingly large majorities over the last 3 years shows that the world's outrage is growing.

We now have an opportunity to reaffirm once again our commitment to the liberation of Afghanistan. In so doing, we can help remind those in the Kremlin who ordered the Soviet invasion that their strategy has failed. We cannot afford, either as individual states with our own security concerns, or as a world organization dedicated to maintaining world peace, for the Soviet leaders to have any doubts on this score.

The resolution before us today offers an honorable course for ending the Afghanistan crisis. Its objective is a

peaceful, negotiated settlement leading to the withdrawal of Soviet forces; the restoration of Afghan self-determination, independence, and nonalignment; and the return of the refugees to their homeland. By adopting this resolution, the U.N. General Assembly will be impressing on the Soviets the necessity to negotiate an end to their misadventure. Hopefully, this will speed the day when real negotiations on a settlement can begin.

In this context, the United States wishes to express its appreciation to Secretary General Perez de Cuellar for his effort to probe the opportunities for a settlement which would implement the General Assembly resolutions. We support these efforts and urge the Soviets to cooperate with them. We also recognize, as the Secretary General said in his report to the General Assembly this year, that "time is of the essence." If the Soviets truly desire to negotiate, they

must come forward quickly or the rest of the world will be forced to conclude that they have no serious interest in reaching a settlement.

The alternative to a negotiated settlement is a continuation of the conflict, with far-reaching and long-lasting consequences for world peace. The Afghan people, unbowed and unbroken despite repeated and relentless hammer blows, have shown that they will not submit to aggression—not now and not ever. They have proved themselves to be a strong, proud, heroic people. With our support and solidarity, they shall also once again become a sovereign and independent people, permitted, as President Harry Truman once said, to work out their own destiny in their own way. This is all that they seek. It is all that we, the member states of the United Nations, seek for them.

¹U.S.U.N. press release 146. ■

World Peace and the Situation in Central America and the Caribbean

Following is an exchange of letters, released on November 5, between President Reagan and prominent Venezuelan citizens regarding the threats to world peace and the current situation in Central America and the Caribbean.¹

PRESIDENT REAGAN'S LETTER

[Dear _____:]

I have read carefully the letter recently addressed to me from numerous Venezuelan intellectuals, political leaders, and other persons in public life regarding the threats to world peace and the current situation in Central America and the Caribbean.

The people and government of the United States of America share these concerns.

The major objective of my administration, as of every other American administration since World War II, is to prevent nuclear war. Twice in my lifetime, I have seen the world plunge into wars costing millions of lives. Living through those experiences has convinced me that America's highest mission is to encourage the world along the path of peace, and to ensure that our country and all those who share our aspirations of peace and freedom can live in security.

Since taking office, I have sought practical measures to reduce the risk of such a war, and to limit the destructive potential and costly competition in nuclear arsenals. Last year I wrote to President Brezhnev

urging him to join me in this effort and proposing that we begin negotiations to reduce nuclear weapons and to strengthen peace.

Last November, I offered to begin discussions with the Soviet Union to find a way to eliminate land-based intermediate-range nuclear missile systems. We are now negotiating in Geneva with the USSR on this proposal, which calls on the Soviet Union to dismantle the more than 600 such systems it has in place, in exchange for which the U.S. and our allies would agree not to install similar systems in Europe.

In May, I proposed a far-reaching approach to nuclear arms control—a phased reduction in strategic weapons beginning with those that are most dangerous and destabilizing, the warheads on ballistic missiles and especially those on intercontinental ballistic missiles. In a second phase, we will seek even further reductions in the destructive potential of nuclear forces. We are now negotiating with the Soviet Union in Geneva on these very proposals.

These negotiations, and others which are in progress or which we will be proposing, provide a historic opportunity for us to reinforce the framework of peace and reduce the risk of war. With the support of our friends and allies, we will do everything in our power to achieve that goal.

There are two fundamental causes of the conflict in Central America: economic, social and political under-development and the violent exploitation of that under-development by Cuba, Nicaragua and the

Soviet Union. To bring about peace in the region, we think both causes have to be addressed.

Together with Venezuela, Colombia, Mexico and Canada we are attempting to promote economic development in Central America and the Caribbean through the Caribbean Basin Initiative. No regional objective has a higher priority than passage of this legislation to provide trade and investment incentives to economic development. Our Congress has already approved provision of \$350 million in emergency supplemental funds and these are being disbursed to recipient governments.

The development of democratic institutions to complement economic growth is a parallel objective to which we are equally committed. We have supported and have been encouraged by the striking trend toward democracy in Central America and the Caribbean. Honduras and El Salvador have held free and fair elections in the last year, as did traditionally democratic Costa Rica and Colombia. Venezuelan democracy in our judgment continues to provide a worthy model compelling in its vibrancy. The trend toward democracy elsewhere in the hemisphere—we applaud the return of Bolivia to democratic rule—has our full support.

We are also seeking to support democratic political development by directing resources to the development of core skills of democracy. This week, for example, we are hosting a Conference on Free Elections to which democratic representatives from all over the world have been invited.

Our diplomacy has supported the efforts of countries in the region to lesson tensions threatening peace. We participated in the conference Costa Rica convened on October 4 to coordinate efforts for regional peace and democracy. We hope this conference will contribute to defusing tensions in the region.

I believe many Venezuelans share our concern in this regard. The initiative of your President, together with President Lopez Portillo of Mexico, was a constructive step in the same direction. We believe the regional effort begun at the San Jose conference will advance the cause of peace we both support.

As we direct efforts toward economic and political developments we cannot ignore the legitimate security needs of countries threatened by external support of internal insurgency. The United States is supplying modest amounts of military equipment and training to the governments of El Salvador and Honduras. Around 85 percent of our aid to these countries, however, is economic.

The commitment to democracy, self-sustaining economic development and non-intervention which we share does not, however characterize the action of Nicaragua, Cuba and the Soviet Union. Subsidized by the Soviet Union, Cuba and Nicaragua have persistently provided aid to insurgency in El Salvador. Both Costa Rica and Honduras have been victimized by Nicaraguan-supported terrorist attacks. Nicaragua has developed its military potential entirely out

of proportion to its objective defense needs. The root cause of so much concern in the region, however, is Cuba's military buildup, which has resulted in resources which could be better allocated to economic development being directed to arms procurement.

Our two peoples, who have sacrificed blood and energy to obtain, safeguard, and nourish democracy, know well the importance of freedom and the right of free choice. Venezuelans and Americans alike share a mutual desire for peace and freedom in not only this region of the world but throughout the globe. By continuing our efforts, we can together advance the cause of peace.

VENEZUELAN CITIZENS' LETTER

Dear Mr. President:

Reflecting the sentiments of ample sectors of the people of Venezuela, we would like to express to you our deep concern over the growing threat of another world conflagration which, if it does occur, would bring with it the destruction of all mankind, eliminating all chances for anyone to be the winner.

Within the realm of this concern, the situation now in Central America and the Caribbean strikes us, as Latin Americans, as being rife with serious threats that could eventually endanger world peace. For this reason, we are opposed to any type of interventionism that threatens the self-determination of the people of this region and impedes their progress as well as popular and democratic development.

These are the reasons that bring us to ask you, in virtue of the important position you hold, to act diligently and decidedly against the threat of another world war and thus save mankind, provide perspectives for a world free of tension, and allow everyone to walk the certain path of peace and social progress.

¹The letter to the President was dated September 20, 1982, delivered to the American Embassy in Caracas on October 15, 1982, and released by the Office of the Press Secretary on November 5, together with the President's response of that date (text from Weekly Compilation of Presidential Documents of Nov. 8, 1982). ■

Current Actions

MULTILATERAL

Antarctica

Measures relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Adopted at Brussels June 2-13, 1964. Entered into force July 27, 1966 for III-1 through III-VI, III-IX and III-X; Sept. 1, 1966 for III-XI; Dec. 28, 1978 for III-VII. (TIAS 6058).

Notification of approval for III-VIII: Japan, Nov. 1, 1982.

Measures relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Adopted at Santiago Nov. 18, 1966. Entered into force Oct. 30, 1968 for IV-20 through IV-28.

Notification of approval for IV 1-9 inclusive:¹ Japan, Nov. 1, 1982.

Measures relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Adopted at Paris Note. 29, 1968. Entered into force May 26, 1972 for V-1 through V-4 and V-9; July 31, 1972 for V-7 and V-8. TIAS 7692.

Notification of approval of V-5 and V-6:¹ Japan, Nov. 1, 1982.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Adopted at Tokyo Oct. 30, 1970. Entered into force Oct. 10, 1973 for VI 1-7 and 11-15. TIAS 7796.

Notification of approval for VI-8, 9, and 10:¹ Japan, Nov. 1, 1982.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Adopted at Wellington Nov. 10, 1972. Entered into force May 29, 1975 for VII-1 through VII-3, and VII-6 through VII-8. TIAS 8500.

Notification of approval for VII-5:¹ Japan, Nov. 1, 1982.

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty (TIAS 4780). Adopted at Oslo June 20, 1975. Entered into force Dec. 16, 1978 for VIII 6-8 and 10-14; Sept. 1, 1980 for VIII 3-4.

Notification of approval for VIII-1, 2, 5, and 9:¹ Japan, Nov. 1, 1982

Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Buenos Aires July 7, 1981¹.

Notification of approval: Argentina, Sept. 3, 1982.

Aviation

Convention for the suppression of unlawful acts against the safety of civil aviation. Done

at Montreal Sept. 23, 1971. Entered into force Jan. 26, 1973. TIAS 7570.
Ratification deposited: India, Nov. 12, 1982.

Convention on the suppression of unlawful seizure of aircraft. Done at The Hague Dec. 16, 1970. Entered into force Oct. 14, 1971. TIAS 7192.
Ratification deposited: India, Nov. 12, 1982.

Coffee

Extension of the international coffee agreement, 1976 (TIAS 8683). Done at London Sept. 25, 1981. Entered into force Oct. 1, 1982. TIAS 10439.

Acceptances deposited: Angola, Sept. 10, 1982; Austria, Benin, Sept. 13, 1982; Bolivia, Sept. 29, 1982; Cameroon, Canada, France, Haiti, Honduras, Italy, Malawi, New Zealand,² Norway, Thailand, Yugoslavia, Sept. 30, 1982; Cyprus, Peru, Sept. 28, 1982; Dominican Republic, India, Sept. 7, 1982; Gabon, Indonesia, Sept. 3, 1982; Guinea, Sept. 14, 1982; Japan, Liberia, Portugal, Sept. 27, 1982; Madagascar, Sri Lanka, Sept. 16, 1982; Netherlands, Aug. 30, 1982³; Paraguay, Aug. 27, 1982; Philippines, Aug. 18, 1982; Sweden, Sept. 21, 1982; Switzerland, Sept. 24, 1982; Tanzania, Sept. 8, 1982; Trinidad and Tobago, Sept. 20, 1982; Zaire, Aug. 6, 1982.

Notifications of provisional application deposited: Belgium, Denmark, European Economic Community, F.R.G., Greece, Ireland, Luxembourg, Sierra Leone, Singapore, U.K.,⁴ Sept. 30, 1982; Central African Republic, Venezuela, Sept. 17, 1982; Costa Rica, Sept. 16, 1982; Finland, Sept. 28, 1982; Nigeria, Sept. 13, 1982; Togo, Aug. 16, 1982.

Commodities—Common Fund

Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.¹
Ratifications deposited: Benin, Oct. 25, 1982; Sierra Leone, Oct. 7, 1982; Switzerland, Aug. 27, 1982.⁵
Approval deposited: France, Sept. 17, 1982.

Conservation

Convention on international trade in endangered species of wild fauna and flora, with appendices. Done at Washington Mar. 3, 1973. Entered into force July 1, 1975. TIAS 8249.
Ratification deposited: Sudan, Oct. 26, 1982.

Amendment to the convention of Mar. 3, 1973 on international trade in endangered species of wild fauna and flora (TIAS 8249). Adopted at Bonn June 22, 1979.¹
Acceptances deposited: Jordan, Sept. 15, 1982; Nepal, Oct. 21, 1982; Peru, Oct. 6, 1982; South Africa, Oct. 1, 1982.

Customs

Customs convention on the international transport of goods under cover of TIR carnets, with annexes. Done at Geneva Nov. 14, 1975. Entered into force Mar. 20, 1978; for the U.S. Mar. 18, 1982.

Accessions deposited: Afghanistan, Sept. 23, 1982;⁶ Chile, Oct. 6, 1982.
Ratification deposited: United Kingdom, Oct. 8, 1982.⁷

Fisheries

Convention for the conservation of salmon in the North Atlantic Ocean. Open for signature at Reykjavik Mar. 2 to Aug. 31, 1982.¹
Ratification deposited: U.S., Nov. 16, 1982.

Judicial Procedure

Convention on the service abroad of judicial and extrajudicial documents in civil or commercial matters. Done at The Hague Nov. 15, 1965. Entered into force Feb. 10, 1969. TIAS 6638.
Accession deposited: Czechoslovakia, Sept. 23, 1981.⁸

Maritime Matters

Amendments to the convention of Mar. 6, 1948, as amended, on the International Maritime Organization (TIAS 4044, 6285, 6490, 8606, 10374). Adopted at London Nov. 17, 1977.¹
Acceptances deposited: Cuba, Oct. 26, 1982; Czechoslovakia, Nov. 17, 1982.

Amendments to the convention of Mar. 6, 1948, as amended, on the International Maritime Organization (TIAS 4044, 6285, 8606, 10374). Adopted at London Nov. 15, 1979.¹
Acceptances deposited: Cyprus, Oct. 7, 1982; Czechoslovakia, Nov. 17, 1982; Nepal, Nov. 1, 1982.

Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Done at New York Dec. 21, 1965. Entered into force Jan. 4, 1969.⁹
Accession deposited: Namibia, Nov. 11, 1982.

Seabed Disarmament

Treaty on the prohibition of the emplacement of nuclear weapons and other weapons of mass destruction on the seabed and the ocean floor and in the subsoil thereof. Done at Washington, London, and Moscow Feb. 11, 1971. Entered into force May 18, 1972. TIAS 7337.
Ratification deposited: Luxembourg, Nov. 11, 1982.

Tonnage

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969. Entered into force July 18, 1982.
Senate advice and consent to acceptance: Sept. 30, 1982.¹⁰
Instrument of acceptance signed by President: Oct. 25, 1982.¹⁰
Acceptance deposited: U.S., Nov. 10, 1982.¹⁰
Enters into force for U.S.: Feb. 10, 1983.

Trade

U.N. convention on contracts for the international sale of goods. Done at Vienna Apr. 11, 1980.¹

Approval deposited: France, Aug. 6, 1982.

U.N. Industrial Development Organization

Constitution of the U.N. Industrial Development Organization, with annexes. Done at Vienna Apr. 8, 1979.¹
Signatures: Jamaica, Israel, Nov. 1, 1982; Mozambique, Nov. 10, 1982.
Ratification deposited: Malta, Nov. 4, 1982.

Weapons

Convention on prohibition or restrictions on the use of certain conventional weapons which may be deemed to be excessively injurious or to have indiscriminate effects, with annexed protocols. Adopted at Geneva Oct. 10, 1980.¹
Signature: Laos, Nov. 2, 1982.
Ratification and acceptances deposited: Bulgaria, Oct. 15, 1982.

Whaling

Amendments to the schedule to the international convention for the regulation of whaling 1946 (TIAS 1849). Adopted at Brighton July 19–24, 1982. Enters into force 90 days after notification by the International Whaling Commission to the contracting governments, unless any contracting government presents an objection.

World Health Organization

Amendments to Articles 24 and 25 of the Constitution of the World Health Organization, as amended (TIAS 1808, 8086, 8534). Adopted at Geneva May 17, 1976.¹
Acceptances deposited: Togo, Oct. 18, 1982; U.A.E., Oct. 7, 1982; U.S., Nov. 11, 1982; Zimbabwe, Oct. 13, 1982.

World Meteorological Organization

Convention of the World Meteorological Organization. Done at Washington Oct. 11, 1947. Entered into force Mar. 23, 1950. TIAS 2052.
Accession deposited: Swaziland, Nov. 2, 1982.

BILATERAL

Argentina

Agreement amending the agreement of Sept. 22, 1977 (TIAS 8978) relating to air transport services. Effected by exchange of notes at Buenos Aires Mar. 11, 1981. Entered into force Mar. 11, 1981. TIAS 10440.

Australia

Agreement relating to the limitation of meat imports from Australia during calendar year 1982. Effected by exchange of notes at Washington Oct. 18 and 21, 1982. Entered into force Oct. 21, 1982.

Brazil

Agreement on cooperation in the field of control of illicit traffic of drugs, with annex. Effected by exchange of notes at Brasilia Sept. 29, 1982. Entered into force Sept. 29, 1982.

Canada

Agreement relating to the limitation of meat imports from Canada during calendar year 1982. Effected by exchange of letters at Washington Sept. 23 and 28, 1982. Entered into force Sept. 28, 1982.

Chile

Memorandum of understanding for scientific cooperation in the earth sciences. Signed at Reston and Santiago Aug. 2 and 26, 1982. Entered into force Aug. 26, 1982.

Colombia

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Bogota July 1 and Aug. 11, 1982. Entered into force Aug. 11, 1982; effective July 1, 1982.

Egypt

Project grant agreement for Safagá Grain Silos Complex. Signed at Cairo Sept. 25, 1982. Entered into force Sept. 25, 1982. Project grant agreement for production credit. Signed at Cairo Sept. 25, 1982. Entered into force Sept. 25, 1982.

Agreement extending the memorandum of understanding of Oct. 21, 1979 relating to the production in Egypt of U.S.-designed defense equipment. Signed at Washington Oct. 21, 1982. Entered into force Oct. 21, 1982.

El Salvador

Agreement amending the agreement for sales of agricultural commodities of Mar. 15, 1982, with memorandum of understanding. Effected by exchange of notes at San Salvador Sept. 1, 1982. Entered into force Sept. 7, 1982.

Israel

Agreement relating to privileges and immunities for U.S. military members and civilian observers of the Multinational Force and Observers on leave in Israel. Effected by exchange of notes at Jerusalem and Tel Aviv Sept. 28 and Oct. 1, 1982. Entered into force Oct. 1, 1982.

Italy

Treaty on mutual assistance in criminal matters. Signed at Rome Nov. 9, 1982. Enters into force upon the exchange of instruments of ratification.

Supplementary protocol to the treaty on extradition of Jan. 18, 1973 (TIAS 8052). Signed at Rome Nov. 9, 1982. Enters into force upon exchange of instruments of ratification.

New Zealand

Agreement relating to the limitation of meat imports from New Zealand during calendar year 1982. Effected by exchange of notes at Washington Sept. 28 and 29, 1982. Entered into force Sept. 29, 1982.

Panama

Agreement authorizing the U.S. to construct a custodian's house in the Corozal Cemetery. Effected by exchange of notes at Panama Sept. 29 and 30, 1982. Entered into force Sept. 29, 1982.

Agreement concerning creation of a preparatory committee to study alternatives to the Panama Canal. Effected by exchange of notes at Washington Sept. 30, 1982. Entered into force Sept. 30, 1982.

Philippines

Agreement amending the agreements of Aug. 23 and 30, 1979, Aug. 12 and 22, 1980, and Aug. 19 and 20, 1981 (TIAS 9584, 9847, 10236), concerning the grant of defense articles and services under the military assistance program. Effected by exchange of notes at Manila Aug. 16 and Sept. 30, 1982. Entered into force Sept. 30, 1982.

Portugal

Agreement amending the agreement of Mar. 19, 1960 (TIAS 4444), as amended, for financing certain educational exchange programs. Effected by exchange of letters at Lisbon July 6, Aug. 16, and Sept. 3, 1982. Entered into force Sept. 3, 1982.

Romania

Agreement amending the agreement of Sept. 3 and Nov. 3, 1980, as amended (TIAS 9911), relating to trade in wool and manmade fiber textiles and textile products. Effected by exchange of letters at Washington Nov. 2 and 3, 1982. Entered into force Nov. 3, 1982.

Saudi Arabia

Extension of the project agreement of Oct. 30, 1977 (TIAS 9077) for cooperation in the field of solar energy. Signed at Washington Oct. 8, 1982. Entered into force Oct. 8, 1982.

Senegal

Agreement for scientific and technical cooperation. Signed at Dakar Sept. 30, 1980. Entered into force Aug. 17, 1982. TIAS 10441.

Agreement regarding the consolidation and rescheduling of certain debts owed to or guaranteed by the U.S. Government and its agencies, with annexes. Signed at Dakar Aug. 26, 1982. Entered into force Oct. 25, 1982.

Spain

International express mail agreement, with detailed regulations. Signed at Madrid Oct. 18, 1982. Enters into force on the date mutually agreed upon by the administrations.

Sri Lanka

Agreement for sales of agricultural commodities, relating to the agreement of Mar. 25, 1975 (TIAS 8107). Signed at Colombo Oct. 29, 1982. Entered into force Oct. 29, 1982.

Thailand

Agreement amending the agreement of Oct. 4, 1978, as amended and extended (TIAS 9215, 9462, 9717, 10368), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Bangkok Sept. 30 and Oct. 25, 1982. Entered into force Oct. 25, 1982.

Treaty on cooperation in the execution of penal sentences. Signed at Bangkok Oct. 29, 1982. Enters into force on the date on which instruments of ratification are exchanged.

Turkey

Agreement amending the agreement of Aug. 15 and 31, 1979, as amended (TIAS 9588, 10144), concerning the grant of defense articles and services under the military assistance program. Effected by exchange of notes at Ankara Aug. 13, and Sept. 24, 1982. Entered into force Sept. 24, 1982.

¹Not in force.

²Applicable to the Cook Islands and Niue.

³For the Kingdom in Europe.

⁴Applicable to the Bailiwicks of Guernsey and Jersey.

⁵With declaration.

⁶With reservation.

⁷Applicable to the Bailiwicks of Guernsey and Jersey, Gibraltar, and the Isle of Man.

⁸With declaration(s) and designation(s).

⁹Not in force for the U.S.

¹⁰With understanding. ■

November 1982

November 1

At Lebanese President Gemayel's request, President Reagan authorizes the U.S. Marine contingent to join with the other national contingents to the MNF [multinational force] in limited patrols in East Beirut.

November 2

Italian Prime Minister Giovanni Spadolini makes an official working visit to Washington, D.C., November 2-4, 1982.

November 3

Speaking for the five Western countries involved in the U.N.-sponsored negotiations for bringing Namibia to independence—Britain, Canada, France, West Germany, and the U.S.—vice chairman of the U.S. delegation, Kalmann Schaefer, states that they will welcome the admission of that territory to the International Telecommunications Union (ITU) only "after it becomes independent." Schaefer goes on to say that such action would be contrary to the ITU convention and could possibly upset the ongoing "delicate negotiations" on Namibian independence. The ITU conference, nevertheless, admits Namibia as represented by the U.N. Council for Namibia.

November 4

Representative from 34 nations attend the Conference on Free Elections held in Washington, D.C., November 4-6, 1982, to provide exchange designed to foster the development of an effective program to spread democracy and democratic institutions.

By a vote of 90-12 with 52 abstentions, U.N. General Assembly adopts Resolution 37/9 urging the U.K. and Argentina to resume negotiations aimed at seeking a peaceful solution to the sovereignty dispute over the Falkland Islands.

November 5

In response to reports—Conference Report No. 97-891 with accompanying H.R. 6956—which directed the Secretary of State to undertake an investigation of allegations that forced labor is being used and human rights violated in the construction of the trans-Siberian gas pipeline, the State Department submits to the Congress an updated packet of information on the issue. The report includes the text of the Department's September 22 statement, an historical summary of Soviet forced labor questions before the International Labor Organization, a new study entitled "The Soviet Forced-Labor System," documentation from the August 1982 hearings held by the International Society for Human Rights, a summary of publicly announced actions taken by other governments and international labor bodies, and maps and graphics of the pipeline network and of Soviet forced-labor camps.

November 6

After 22 years in office, Cameroon President Ahmadou Ahidjo resigns. He is succeeded by Prime Minister Paul Biya.

November 7

Upper Volta Government of Col. Saye Zerbo is overthrown in a coup.

November 8

U.S.-European Community (EC) semiannual high-level consultations are held November 8-9, 1982, at State Department. Under Secretary for Economic Affairs Allen Wallis heads the U.S. team. The delegations exchange views on the global economic outlook, the upcoming GATT [General Agreement on Tariffs and Trade] ministerial meeting, agricultural and other trade concerns, East-West economic relations, and energy issues.

President Reagan informs the Congress that he has sent a notice to the *Federal Register* stating that because the "internal situation in Iran remains uncertain, the war between Iran and Iraq continues, and the Soviet Union still occupies Afghanistan," the national emergency with respect to Iran will continue in effect beyond the November 14, 1982, expiration date. The national emergency was declared November 14, 1979, by former President Jimmy Carter.

November 9

Soviet President Leonid I. Brezhnev dies.

Conference on Security and Cooperation in Europe, recessed March 1982 as a result of the martial law situation in Poland, reconvenes in Madrid.

November 10

Vice President Bush makes an official visit to Africa November 10-24, 1982. The Vice President makes a brief stop in Cape Verde and proceeds to Senegal and Nigeria. At this point, the Vice President's schedule is interrupted and he departs Nigeria to travel to Moscow to head the U.S. delegation to the funeral of Soviet President Brezhnev. Following the funeral, the Vice President resumes his trip to Africa traveling to Zambia, Kenya, Zaire, again to Cape Verde, and to Bermuda.

Second anniversary of the formal registration in Poland of Solidarity as a legally recognized free trade union.

November 11

Egyptian Deputy Prime Minister and Foreign Minister Kamal Hassan Ali visits Washington, D.C., November 11-13, 1982, to consult with President Reagan, Secretary Shultz, and other U.S. officials on the peace process and recent developments in Lebanon and other issues of bilateral concern.

November 12

The Central Committee of the Communist Party unanimously elects Yuriy V. Andropov as General Secretary of the Communist Party of the Soviet Union. Mr. Andropov succeeds President Brezhnev.

Polish military government releases labor leader Lech Walesa after an 11-month detention.

November 13

U.S. lifts trade sanctions it imposed on American and other companies participating in the Soviet natural gas pipeline to Western Europe because this country and its key allies reach "substantial agreement" on overall economic strategy toward the Soviet bloc.

Italian Prime Minister Spadolini resigns—the second time in 3 days. The Prime Minister's first resignation was refused by President Pertini who ordered Spadolini to submit the issue to the Parliament. The Parliament agrees that the cabinet could not be salvaged, and Pertini announces he will open consultations on November 15 to designate a new cabinet.

November 14

West German Chancellor Helmut Kohl makes an official working visit to Washington, D.C., November 14-16, 1982.

November 15

Funeral of Soviet President Brezhnev is held in Moscow's Red Square. U.S. is represented by Vice President Bush, Secretary Shultz, and Ambassador Hartman.

For the first time in 17 years, Brazilians

vote in the first free municipal, legislative, and gubernatorial election.

Secretary Shultz heads U.S. delegation to the 12th regular session of the General Assembly meeting of the Organization of American States held in Washington, D.C., November 15-20. On November 18, the General Committee approves a draft resolution expressing support for U.N. General Assembly Resolution 37/9 of November 4 and calling for negotiations on the sovereignty dispute over the Falkland Islands.

November 18

North Atlantic Assembly overwhelmingly adopts a resolution condemning the continued Soviet occupation of Afghanistan and calling on members of the NATO alliance "to continue to support the right of the Afghan people to self-determination and sovereignty."

November 20

Egyptian Deputy Prime Minister and Defense Minister Muhammad Abd al-Halim Abu Ghazala visits the U.S. November 20-27. Discussions with the Secretary, Defense Secretary Weinberger, and others deal with U.S. military assistance to Egypt, the peace process, and other issues.

November 22

The following newly appointed Ambassadors present their credentials to President Reagan: U Kyee Myint of Burma; Simon Insonere of Rwanda; Mocktar Georges Abdoulaye-Mbingt of Gabon; Joseph Diatta of Niger; Kasem S. Kasemsri of Thailand; and Ali Mlahaili of Comoros.

In an address to the nation, President Reagan announces a plan for peace through deterrence and arms reduction. A special letter sent by the President to Soviet leadership proposes negotiating measures to lessen the risk of accidental nuclear war and misunderstanding thus strengthening mutual confidence between both countries. The proposals include:

- Advance notification of all U.S. and Soviet intercontinental ballistic missile test firing;
- Advance notification of major military exercises;
- Broad-range exchange of basic data about nuclear forces; and
- Improvement of the existing "Hotline" system.

The President, citing the continuing Soviet military buildup, also announces his decision to proceed with the deployment of the ICBM (intercontinental ballistic missile)—MX, stating that U.S. military strength deters aggression. He goes on to state that "unless we demonstrate the will to rebuild our strength, the Soviets will have little incentive to negotiate."

November 24

General Agreement on Tariffs and Trade

PRESS RELEASES

Ministerial meeting is held in Geneva November 24-28, 1982.

In Brazil, results of the November 15 election show opposition parties—Brazilian Democratic Movement Party and the Democratic Labor Party of Leonel Brizola—carrying a majority of the votes leading the Social Democratic Party of Gen. Joao Baptista Figueiredo.

November 26

Japan elects Yasuhiro Nakasone as its new Prime Minister. He succeeds Prime Minister Suzuki.

November 29

State Department releases second report on the continuing use of chemical and toxin weapons in Southeast Asia and Afghanistan to the U.N. and the Congress.

By a vote of 114-21 (13 abstentions) the U.N. General Assembly adopts Resolution 37/37 on the situation in Afghanistan. Nearly identical to last year's resolution, it urges the return of the independence and nonaligned character of Afghanistan, reaffirms the Afghan right of self-determination, calls for the immediate withdrawal of the foreign troops, and the return of the refugees with safety and honor.

By a vote of 71-18 (30 abstentions) the U.N. General Assembly adopts a resolution calling on the Secretary General to investigate the illegal use of chemical weapons in warfare.

November 30

In Geneva, U.S.-Soviet negotiations aimed at a reduction of intermediate-range nuclear forces (INF) in Europe adjourns until January 27, 1983.

President Reagan makes an official working visit to Latin America November 30-December 4 to hold bilaterals with heads of state. The President visits Brazil Nov. 30-Dec. 3; Colombia Dec. 3; Costa Rica Dec. 3-4; and Honduras Dec. 4. While in Costa Rica, the President meets with Salvadoran President Alvaro Magana and with Guatemalan President Brig. Gen. Jose Rios Montt while in Honduras. The President is accompanied by Secretaries Shultz and Regan, U.S. Trade Representative Brock, and other Senior White House aides. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*339	11/1	Program for the official visit of Italian Prime Minister Giovanni Spadolini, Nov. 2-4.
*340	10/26	James Blane sworn in as Ambassador to Rwanda (biographic data).

*341	11/2	Conference on the Caribbean, Miami, Dec. 5-7.
*342	11/2	Shultz: remarks at the U.N. Day Concert, Oct. 30.
*343	11/3	William Alexander Hewitt sworn in as Ambassador to Jamaica, Oct. 25 (biographic data).
344	11/4	Shultz: address at Conference on Free Elections.
*345	11/9	U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCITT), study group A, Nov. 23.
*346	11/9	Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), working group on bulk chemicals, Nov. 29.
*347	11/9	SCC, SOLAS, working group on stability, load lines, and safety of fishing vessels, Nov. 30.
*348	11/12	Program for the official visit of F.R.G. Chancellor Helmut Kohl, Nov. 14-16.
349	11/15	Shultz: news conference, Moscow.
350	11/17	Shultz: address before Organization of American States General Assembly.
351	11/18	Shultz news conference.
352	[not issued]	
*353	11/23	Availability of Department of State records, 1950-54, for research.
*354	11/23	SCC, SOLAS, committee on ocean dumping, Dec. 14.
*355	11/23	Advisory Committee on Private International Law, study group on trusts, Dec. 17.
*356	12/2	Mrs. Shultz and Assistant Secretary Newell to participate in opening of International Children's Festival benefiting the U.S. Committee for UNICEF.
*357	11/29	Department submits Report to Congress on Chemical Warfare in Afghanistan, Laos, and Kampuchea.
*358	11/30	U.S. Organization for the International Radio Consultative Committee (CCIR), study group CMIT, Dec. 21.

*Not printed in the BULLETIN. ■

PUBLICATIONS

Department of State

Free, single copies of the following Department of State publications are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan

Paths Toward Peace: Deterrence and Arms Control, address to the nation and letter to the Congress, November 22, 1982 (Current Policy #435).

Secretary Shultz

Reflections Among Neighbors, address before the Organization of American States General Assembly, November 17, 1982 (Current Policy #432).

Chemical Warfare in Southeast Asia and Afghanistan: An Update, report to the Congress and member states of the United Nations, November 1982 (Special Report #104).

Africa

Background Notes on Zimbabwe (October 1982).

Arms Control

Freezing Chances for Peace, Counselor Buckley, Commonwealth Club of California, San Francisco, October 27, 1982 (Current Policy #428).

East Asia

Background Notes on Macau (October 1982).

Europe

Background Notes on Sweden (October 1982).

General

Atlas on Foreign Relations Machinery, August 1982 (BULLETIN Reprint).

Oceans

Law of the Sea (GIST, November 1982).

Population

Population Growth and the Policy of Nations, Coordinator of Population Affairs Benedick, Bangladesh Institute of Strategic Studies, Dacca, October 5, 1982 (Current Policy #429).

Refugees

Proposed Refugee Admissions for FY 1982, Acting Secretary Dam and U.S. Coordinator for Refugee Affairs Douglas, Senate Judiciary Committee, September 29, 1982; President Reagan's memorandum, October 11, 1982 (Current Policy #427).

Western Hemisphere

Caribbean Basin Initiative (GIST, November 1982).

Background Notes on the Bahamas (October 1982).

Background Notes on Colombia (November 1982).

Background Notes on Costa Rica (November 1982). ■

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Prime Minister Balsemao (Portugal)
Dominick L. DiCarlo
King Hussein I (Jordan)
President Zia (Pakistan)

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

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GEORGE P. SHULTZ
Secretary of State

JOHN HUGHES
Assistant Secretary for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

JUANITA ADAMS
Assistant Editor

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THE PRESIDENT

U.S. Relations with the Soviet Union

by President Reagan

*Radio broadcast
to the nation
from Camp David,
January 8, 1983¹*

My fellow Americans, today I'd like to share with you some thoughts on one of the most important aspects of America's role in the world—our relations with the Soviet Union. Keeping the peace for both countries, for that matter for all mankind, depends on our wise and steady management of this relationship.

As you know, a new leader has to come to power in Moscow. There has been much speculation about whether this change could mean a chance to reduce tensions and solve some of the problems between us. No one hopes more than I do that the future will bring improvement in our relations with the Soviets and an era of genuine stability.

What could be more important than reducing the danger of confrontation, increasing the prospects for enduring peace, lowering nuclear arsenals, relieving human suffering in Afghanistan and Kampuchea and elsewhere? With your support, this Administration has embarked on an effort to restore our nation's strength, credibility, and clarity of purpose in the world.

Our aim has been to insure that America has the will and the means to deter conflict and to defend the interest

of freedom. We've done this for one reason and one reason only—because a strong, respected America is the surest way to preserve the peace and prevent conflict.

In this effort, we must learn from history. We all experienced the soaring hopes and then plunging disappointment of the 1970s, when the Soviet response to our unilateral restraint was to accelerate their military buildup, to foment violence in the developing world, to invade neighboring Afghanistan, and to support the repression of Poland.

The lesson is inescapable. If there are to be better mutual relations, they must result from moderation in Soviet conduct, not just our own good intentions.

In recent days, some encouraging words have come out of Moscow. Clearly the Soviets want to appear more responsive and reasonable. But moderate words are convincing only when they're matched by moderate behavior.

Now, we must see whether they're genuinely interested in reducing existing tensions. We and our democratic partners eagerly await any serious actions and proposals the Soviets may offer and stand ready to discuss with them serious

(White House photo by Karl Schumacher)

THE PRESIDENT

proposals which can genuinely advance the cause of peace. We do not insist that the Soviet Union abandon its standing as a superpower or its legitimate national interests.

In fact, we hope that the new leadership in Moscow will come to realize that Soviet interests would be improved by ending the bloodshed in Afghanistan, by showing restraint in the Middle East, by permitting reform and thus promoting stability in Poland, by ending their unequaled military buildup as we have proposed, by reducing the most dangerous nuclear arms to much lower and equal levels.

We stand ready to work toward solutions to all outstanding problems. This doesn't mean that we should neglect our own defenses; that would undercut our ability to maintain peace and jeopardize whatever chance we may have for changing Soviet conduct. But it does mean that we're always ready to sit down with the Soviets to discuss practical steps that could resolve problems and lead to a more durable and genuine improvement in East-West relations.

Next month, Soviet and American negotiators will resume talks in Geneva on strategic and intermediate-range nuclear forces. We've proposed drastic cuts in those threatening intermediate-range forces. The Soviets have responded in both negotiations with proposals of their own. So, a serious foundation for progress has been laid. America will negotiate energetically and in good faith to achieve early agreements providing for reduced and equal levels of forces. The Soviet leadership must understand that the way to reduce the nuclear threat is by negotiating in the same sincere spirit and not by trying to sow division between the American people and our NATO partners. That kind of negative tactic is certain to fail and can only delay real progress.

A cornerstone of our approach to relations with the Soviet Union is close consultation with our allies on common political and security issues. In this spirit, I've asked Vice President Bush to travel to Europe. Beginning at the end of this month, he will visit the Federal Republic of Germany, the Netherlands, Belgium, Switzerland, Italy, France, and Great Britain, and at the Vatican he will meet with Pope John Paul II. In Switzerland the Vice President will meet with the negotiating teams for the Strategic Arms Reduction Talks—which

we call START—and the intermediate-range nuclear forces arms control talks we call INF and will attend a meeting of the Committee on Disarmament in Geneva.

The Vice President's visit to these close friends and allies and his discussions at the Vatican and in Geneva underscore our fundamental commitment to peace and security in Europe and to genuine arms reductions.

News Conference of January 5 (Excerpts)

You're trying to get me into the details that I've said there are no decisions that have been made. I will look at everything. But let me also say something about the concern on the defense spending.

I don't question the fact that the people are concerned because they have been receiving, through much of the media, a constant drumbeat that somehow there is a needless extravagance and that we're overboard on this particular subject. On the chart you will find that in constant dollars the defense budget is just about the same as it's been all the way back to 1962. You will also find that as a percentage of gross national product, it is smaller than it was in the Eisenhower and Kennedy years.

We repeatedly see the figure over a 5-year period of \$1.5 trillion or \$1.6 trillion. We're still spending more than \$2 trillion in that 5 years on the social programs.

The thing about defense, also, that I think should be pointed out is that in February of 1981, when we presented the 5-year plan to try and refurbish our military because it was in desperate straits, we certainly could not claim that we were meeting the first priority of government, which is to protect the national security, to provide the national security. But from that time—since that time, we have cut our original program by \$41 billion and have done this by reason of inflation coming down, which lowered the cost of some things—fuel and so forth, by improved management procedures and improved procurement. We're still looking at that and have just

So, the new year begins with reason for all of us to hope that if we continue to act firmly and wisely, 1983 can be a time of peaceful progress for America, for our allies, for the people of the U.S.S.R., and for the entire world.

Until next week, thanks for listening, and God bless you.

¹Text from White House press release. ■

had a team of—a task force of outside volunteers, all skilled and knowledgeable in business, who have been reviewing and examining the whole Defense Department. Their recommendations will be coming to us shortly. So, if it can be cut, it will be cut. But the priority must be not if it means reducing our ability below the level at which we can declare ourselves safe.

Q. I can't imagine that you are satisfied with the progress of the Middle East initiative that you announced last summer. The Israelis are still in Lebanon, the Syrians are still in Lebanon, the fighting is still going on in Tripoli, and I'd like to know what you are doing to speed things up, especially at the State Department?

A. We're calling back Mr. Habib [Ambassador Philip C. Habib, President's special emissary to the Middle East] from his vacation. He is going to join Ambassador Draper [Morris Draper, special negotiator for Lebanon]. Ambassador Habib will be there now. It is not unexpected to us. We would have liked to have this whole thing move faster, but in view of the situation, not only in Lebanon but the whole Middle East, we never had any illusions that this could be done overnight, and the negotiations are underway now that will lead to the removal of the foreign forces.

You said that the fighting was still going on in Tripoli. I think it just started recently, and it is a tragedy that that is taking place. But that, again, is why we want the outside forces out so

that the new Government of Lebanon can begin to keep order itself and establish its sovereignty.

Q. There have been a number of approaches to the West recently by the Soviet Union. Today, the Warsaw Pact proposed a nonaggression pact with NATO. And 2 weeks ago, as you know, Mr. [General Secretary of the Central Committee of the Communist Party of the Soviet Union Yuriy] Andropov raised the idea of a summit with you. What is the reaction to these new developments?

A. This is something, I think, certainly to be considered if that is what he is proposing—a nonaggression pact. But with regard to a summit, I am, in principle, in favor of that. I proposed meeting Mr. Brezhnev in New York at the time of the U.N. Disarmament Conference—believing that he would be there. And then, we know now, I am sure, why he could not make that trip. And so we did not.

But I think that a summit is something that requires some planning. I do not think you just say: Let's get together, sit around the table, and then say—what do we talk about? I think you have to plan. You have to know and believe that you can accomplish something. When we can be sure of that, I would welcome a summit just as I welcomed his suggestion about continuing the talks on the reducing of arms.

Q. What about today's proposal for a nonaggression pact between NATO and the Warsaw Pact?

A. I think this is something that has just happened. And this is something that would require consultation with all of our allies in NATO.

Q. There have been many allegations that the Bulgarian intelligence service was behind the attempt to assassinate the Pope and that the Soviet intelligence service—the KGB—may have ordered the whole thing. What do you believe? Do you believe the Russians and the Bulgarians were behind it?

A. I know that the Italians are investigating, and in view of their procedures and their handling of the General Dozier case, I have great confidence in their abilities. But as long as they are investigating, I don't think it

would be proper for me to make a comment on this, because I would have no information except the same things that all of us know about this.

Q. If it turns out that the Bulgarians and the Russians were behind it, what impact would that have on Soviet-American relations?

A. I think that it certainly would have an effect. I think it would have an effect worldwide, and I'd meet that problem when we got to it.

Q. As you know, concern has arisen in the financial community over the large debts accumulated by some developing nations—\$300 billion in Latin America alone. Do you see any danger to the banking system as a result of these large debts, and what steps is your Administration taking to deal with this problem?

A. Of course, there's a risk. I think it's a touchy financial situation worldwide just as this recession is worldwide. We have been taking a number of steps with regard to the international monetary funds that are available for bailouts and so forth—increased the contributions to those. We have taken unilateral action with some of our neighbors, as you know, to tide them over and help. And a number of countries, as a result, are engaging in austerity programs.

I'm inclined to believe that we're going to come through this all right. If there was widespread default, there would, of course, be some very severe financial problems.

Q. Without getting into details, do you agree with Senator [Paul] Laxalt that there are ways to stretch out defense buildup—the defense buildup over the next 6 or 7 years—without hurting national security?

A. We have looked at such things, and we will continue to look. As I say, we are looking at everything. One of the problems, a stretch-out sounds as if it might not be too serious, but you have to remember, we don't have the military-industrial complex that we once had when President Eisenhower spoke about it. Assembly lines have to be put together and started up again to meet the demand for the weapons systems.

You can't say to someone who has gone into business purely to provide us with what we have ordered, you can't suddenly say to him: Well, now, everybody go home and wait a while, we're

going to—we're not going to take these things. If there can be a stretch-out that does not shut down your—part of your industry. But again, in defense, the biggest portion of the spending is not weapons systems. Seventy-five percent of the defense budget is payroll for the troops, readiness, and maintenance. Only a fourth of the budget has to do with weapons systems.

Q. Do you think a stretch-out is possible? Or perhaps you prefer the freeze ideas on both defense and nondefense that are now being proposed?

A. Here I thought I explained it all at the very beginning, and you keep on asking those questions. All of those things we will look at.

Q. Jack Anderson said the other day on a program where he was interviewed by the 700 Club that we have service representatives from Defense contractors in the field still working with the troops on complicated defense weapons that the troops are too ignorant and too unable to operate. He said that the Israelis take our planes and take off all of that expensive electronic gadgetry—which our military contractors put on these planes, which are not necessary, and which, he said, add to the great cost of these weapons. The Israelis take these off of their planes and learn to fly them effectively and better than any planes ever flown. Would you look into that?

A. First of all, I do not think it is true. But I, also, think that Israelis have proven that those planes must be pretty good. On the other hand, with regard to our troops, it would be very strange if we are faced with such ignorance, because the truth of the matter is now that our voluntary military that 2 years ago we were being told was a failure and could never succeed—I am proud to say—now has an intelligence level that is higher than in any Army in our past history—even including the draft. We, also, have the highest percentage of high school graduates in that military force than we have ever had before. We have the highest retention rate and the highest re-enlistment rate. And we have

got a military that has got an *esprit de corps* that should make every one of us proud of them.

Q. It is true that a lot of those high school graduates, don't forget, are women. There are more women high school graduates than men. [Laughter.] But I want to point out to you that what he said—it was not denouncing the intelligence of the men. It was just saying that these weapons are too complicated for anyone to use in battlefield conditions. And, therefore, they have many, many factory representatives who have to go to war with the troops.

A. I have to say that there is only one criteria. And that is, if we are going to ask an American young man or woman—but I do not think we will put the young women in those combat front ranks.

Q. We are ready. [Laughter]

A. I will tell them they have got one volunteer already. But, if we are going to put those young men out there, they are entitled to have every technological aid that can insure that they can do the job and that will protect their lives.

Text from White House press release (complete text may be found in the Weekly Compilation of Presidential Documents of Jan. 10, 1983). ■

Production of the MX Missile

**PRESIDENT'S STATEMENT,
DEC. 2, 1982¹**

Today's vote in favor of the Peacekeeper missile system by the House Appropriations Committee is a vote for a stronger, more secure America. I applaud the judgment of the members of the committee, and I urge the full House to show similar wisdom by approving the committee position.

This program is essential to the ability of the United States to maintain a credible deterrent on land, in the air, and on the sea. Moving forward on schedule will also greatly increase the prospects for a meaningful strategic arms reduction agreement between the United States and the Soviet Union.

**PRESIDENT'S LETTER
TO MEMBERS OF
THE HOUSE OF
REPRESENTATIVES,
DEC. 6, 1982²**

On November 22, I informed you of my MX basing decision and underlined the absolute necessity of modernizing the Triad so that we can restore the strategic balance and maintain effective deterrence. Of equal importance, we must move forward with the MX to have any hope of achieving meaningful progress at the arms negotiations in Geneva. History shows that unilateral restraints by the United States have not led to arms reduction by our adversaries.

Having sought the counsel of my predecessors, the views of Congressional leaders, and the advice of America's best technical and scientific minds, I am convinced that Peacekeeper is the right missile and that now is the right time. I, therefore, urge you to support the MX program—as approved by the Appropriations Committee—when the House considers my fiscal year 1983 defense budget request this week. The Appropriations Committee language permits us to continue work on the MX and to protect an initial operational capability in 1986, while providing Congress with additional time to conduct a thorough review of my basing plan. This strikes me as a reasonable approach as we work together toward the common goal of maintaining peace.

On a related matter, the Appropriations Committee has already significantly cut my fiscal year 1983 defense

budget request. Any further reductions in my request would deal a serious setback to our overall defense buildup and would have adverse foreign policy consequences. In particular, I urge you not to support an across-the-board reduction in appropriations for defense.

Let us thus join together in rebuilding America's defense posture, in enhancing our deterrence posture, and in enriching the prospects for meaningful arms reductions.

RONALD REAGAN

**WHITE HOUSE STATEMENT,
DEC. 7, 1982³**

Soviet Defense Minister Ustinov's remarks are a clear effort to influence the American political process. He fails to mention that the Soviet Union has already deployed 308 SS-18 ICBMs [intercontinental ballistic missiles], which are larger and heavier than the MX, and 300 SS-19 ICBMs, which are roughly equivalent to the MX in size. All are capable of destroying hardened targets in the United States.

The Soviets have failed to mention openly that they already have the first of their next generation of ICBMs in flight testing. This testing began prior to the President's decision on the Peacekeeper. While we have openly explained the purpose and the characteristics of the Peacekeeper, the Soviets have yet to provide any information on the purpose and capabilities of their new missile.

For the Soviets now to cast the MX in the role of another excuse to build more missiles makes no sense when the United States is trying to redress the balance which the Soviet Union has upset.

**PRESIDENT'S STATEMENT,
DEC. 7, 1982⁴**

Today's vote by the House of Representatives was a grave mistake. Unless reversed in coming days, it will seriously set back our efforts to protect the nation's security and can handcuff our negotiators at the arms table.

I had hoped that most of the Members in the House had awakened to the threat facing the United States. That hope was apparently unfounded. A majority chose to go sleepwalking into the future.

The facts on the Peacekeeper missile are clear and straightforward. For 37

years, we have kept world peace because we have been adequately protected on land, sea, and air. We maintain the margin of safety. But in recent years, a vital part of that defense—our land-based missile system—has become increasingly obsolete. The United States hasn't built a new land-based missile system in 15 years. The Soviets are now in their fifth generation of new missiles. As a result, the window of vulnerability has opened for the United States—a window the Peacekeeper is designed to close.

Unless we act soon, the Soviets can not only discount our land defenses but they can also concentrate their new research on depleting us at sea and in the air.

And of great importance, we should know from experience that the Soviets will not negotiate with us when we disarm ourselves. Why should they negotiate seriously when we give up weapons systems voluntarily, asking nothing of them in return? It would be tragically ironic if this of all days—December 7th—once again marked a time when America was unprepared to keep the peace.

Fortunately, there is still time to reverse this grievous error. Soon the issue will be taken up by the U.S. Senate. If it succeeds there, a conference of the House and Senate can be convened, and the production program can be saved. Then we can engage in a longer debate on the best way to house the missile.

In the meantime, I plan to do everything I can to take this case to the country. Jefferson said the American people, if given the facts, would never make a mistake. I will present those facts and urge our citizens everywhere to join in trying to restore America's margin of safety.

PRESIDENT'S STATEMENT, DEC. 10, 1982⁵

I just wanted to say a word about the importance of the defense issue in the closing days of this congressional session.

It's vital that we in government demonstrate to friends and potential foes alike that the United States is determined to remain a credible force for peace in the world. There are several critical decisions now facing the Senate, including their votes on the B-1 and a second carrier. But none is more critical than their vote on the production of the Peacekeeper missile.

Frankly I was disturbed by the debate in the House earlier this week because of the confusion over what the vote meant. The key vote in the House and now in the Senate is over money for the production of the missile, not for the basing mode. And I believe it's absolutely essential to a strong, secure defense that we vote now on funds for that missile. Then next year, as we have more time, I'd welcome a vigorous debate on the best way to base the missile.

I agree that more time is needed before we achieve a consensus in Congress on the basing mode, but the need for the missile itself has long been apparent. Both Presidents Ford and Carter before me have vigorously argued that the country needs this new system. Later today I am meeting with our arms negotiator, Ed Rowney, and I'm sure that his message will be the same as in the past—a vote against MX production today is a vote against arms control tomorrow.

I also think it's fair to mention a couple of headlines that I came across earlier this week after the House voted. One said, "Soviets Voice Satisfaction on MX Rejection." The other read, "Soviets Cheer House for Rejecting MX Missile Appropriation." Well, if the Soviets are so pleased, perhaps we should be a little more concerned.

I can tell you that I'm vitally concerned about this matter, and I urge the Senate to stand together and assure adequate funds for the Peacekeeper.

PRESIDENT'S RADIO ADDRESS TO THE NATION, DEC. 11, 1982⁶

A few weeks ago, I talked with you about our quest for peace—for a secure world in which our children and our children's children can grow up without fear, enjoying the blessings of peace and freedom. As President, my first duty is to do everything in my power to achieve these goals.

Two of the keys to preserving the peace are deterrence and arms reduction. One of these keys has worked perfectly for 37 years. Since the end of World War II, we've prevented the outbreak of a new global war by a national policy of deterrence. To do that meant maintaining our defense forces so that any enemy knew in advance that an attack on us or our allies would bring disaster, not victory, to the attacker. Now, when a potential enemy knows

that by starting a war he'll lose more than he hopes to gain, he just won't start a war in the first place. That's what deterrence is all about.

A key feature of this policy has been to maintain strong strategic forces. Our triad, as it's called—our three-legged plan of land-based missiles, sea-based missiles, and manned bombers—makes clear to any aggressor that if he attacks us, we will still have the strength to strike back, the ability to retaliate. That's because no potential attacker has the strength to knock out all three legs of our defense triad at the same time.

If we only had two parts to this force, then preserving the peace would be more difficult. Potential attackers might even come to believe they could launch and win a nuclear war. We must never let this happen. That's why last year I ordered all three legs of our strategic forces to be modernized.

There's no question about the need for modernizing them. Today all three are made up mainly of weapons we developed more than 10 years ago—more than 20 years ago in the case of our bombers. Sooner or later older systems become ineffective and vulnerable. Our most pressing problem today is that the Soviet Union, because of its massive buildup of nuclear weapons, could destroy virtually all of our land-based missiles in a single nuclear attack. If we do nothing to correct that situation, we will have weakened the chances for peace. This is why we need the new MX Peacekeeper missile—to help restore our strategic deterrent and literally to keep the peace.

The Peacekeeper is a modern missile, and it is survivable. I agree with my scientific and military advisers that the closely spaced basing plan we proposed will work. Congress had ordered us to submit a basing proposal for the MX by December 1st, which we did. However, we're prepared to review this matter with the Congress in the new year.

The basing mode is not an issue. There's plenty of time to decide on that. What we need now is a clear, positive vote on the missile itself, to go forward on production of the missile. Why? Because we're negotiating with the Soviet Union at Geneva to reduce substantially nuclear arsenals on both sides—the other key to protecting the peace in the nuclear age. These are tough negotiations, but our team is hanging in there. However, if we just cancel the Peacekeeper, the MX—if we say we won't deploy it—we remove a major incentive for the Soviets to stay at the table and agree to reductions.

ARMS CONTROL

Look at it from their perspective. If we're willing to cancel a weapons system without getting something in return, why should they offer to eliminate or reduce weapons that give them an advantage over us?

In 1977 my predecessor sent his Secretary of State to Moscow with a proposal that the Soviets reduce the number of their heavy SS-18 missiles. At the time, we had nothing comparable to the SS-18 and no new missile to deploy. The result was what you'd expect. The Soviets refused to even consider the proposal. I can't believe the American people want to make that mistake a second time. The stakes are just too high.

Without the Peacekeeper, we weaken our ability to deter war, and we may lose a valuable opportunity to achieve a treaty to reduce nuclear weapons on both sides. With it, we make progress on both paths to peace. On both counts, there's no doubt that we need it.

In the weeks ahead, we'll continue to bring the facts to you, the American people, and your representatives on this vital issue. We've already done it in hearings before the Senate. I only wish the House had given us the opportunity to do the same before it voted last Tuesday to cut funds for the Peacekeeper missile. It's hard to make a good decision before you've heard the facts. And in my opinion, the House of Representatives voted without really considering the facts.

As we present our case for the Peacekeeper missile to you, I hope you'll keep in mind that by continuing to maintain our ability to deter attack, we make it less likely that the horror of nuclear war will ever occur. And by keeping our defenses credible, we offer the Soviet Union a realistic incentive to reduce tensions and to agree to significant and verifiable arms reductions.

These are vital objectives. But I can't achieve them without the support of the American people and the U.S. Congress. To protect the peace, we must provide the funds necessary to offset the enormous Soviet military buildup and restore a military balance, particularly in nuclear weapons. And to achieve the arms reductions we want, we must give the Soviets the incentive to negotiate. We must go to the bargaining table in a position of strength, not weakness.

My fellow Americans, with your continued support for a strong defense and for the Peacekeeper missile—but only with your support—we can achieve both of these crucial goals.

PRESIDENT'S STATEMENT, DEC. 14, 1982¹

This morning I met with a group of leading Republican and Democratic Senators to discuss the future of the MX Peacekeeper missile. And I'm pleased to report that we've reached a bipartisan agreement that we hope will preserve funding for the missile and enable us to continue the restoration of America's defense capabilities.

In recent days, it's become apparent that many Members of Congress agree with my assessment that production of the Peacekeeper is in the national security interests of the United States. At the same time, however, they want to take a closer look at the question of how to base the missile. The agreement we've reached today is a reasonable balancing of those interests.

All of us who met today pledged that in the next few days we'll work with others in the Senate and with Members of the House to secure full congressional assent to this plan.

In closing, let me reaffirm my very strong view that the United States needs to move forward with an effective land-based missile, one that will not only enhance the prospects for a secure America but will also strengthen the hand of our negotiators at the arms conference and the arms control talks in Geneva.

The world in which we live is uncertain at best. And we must be fully prepared in order to protect our interests and defend the cause of peace.

PRESIDENT'S STATEMENT, DEC. 17, 1982²

The action taken early this morning by the Senate with regard to the MX missile program is both welcome and wise. It expresses solid understanding and support for the need to modernize the land-based leg of the triad. As the Senate recognizes, it is only through this triad approach that we can hope to preserve an effective deterrent and go forward with negotiations toward real arms reductions.

Beyond that, the Senate was also expressing some rather serious concerns which I take very much to heart. Foremost among these was uncertainty with respect to the approach for basing the missile. This concern is reasonable since the survivability of this system must be assured, and an effective basing

plan plays the central role. This extremely complex problem deserves very careful and deliberate consideration, and I am pleased that this will be allowed to take place early in the new Congress.

Between now and the time the final decision must be taken next spring, it is essential that every Member of Congress and, indeed, as many as possible of the American people gain a full appreciation of alternative solutions to this problem. Toward that end I pledge to the Congress and to all Americans the most exhaustive, renewed analysis possible of every apparent option. To assist in this effort, I am today announcing my intention to appoint a bipartisan commission, comprised of senior officials from previous Administrations as well as technical experts. I will ask the members to work with the Department of Defense and join together in a bipartisan effort to forge a consensus as to the plan which will best assure the national security interests of our country in the years ahead.

The contributions of this panel of distinguished Americans will be extremely important. In addition, I pledge to the Congress the fullest possible coordination of the work of this commission with Senators and Members. It is essential that if we are to reach our common goals within the time required by last night's vote, the Congress play a central role in shaping this, the most important strategic modernization decision of the postwar period. Again, I would like to express my appreciation for the responsible position taken by the Senate and ask that this wisdom be reflected in the House, as together we join in this important undertaking.

¹Text from Weekly Compilation of Presidential Documents of Dec. 13.

²Read to news correspondents by Deputy Press Secretary Larry Speakes (text from Weekly Compilation of Presidential Documents of Dec. 13).

³Text from Weekly Compilation of Presidential Documents of Dec. 13, which also contains a brief exchange with news correspondents.

⁴Broadcast from Camp David, Maryland (text from Weekly Compilation of Presidential Documents of Dec. 20).

⁵Text from Weekly Compilation of Presidential Documents of Dec. 20, which also contains a brief exchange with news correspondents.

⁶Text from Weekly Compilation of Presidential Documents of Dec. 20. ■

U.S.-Soviet Negotiations on INF Reductions

WHITE HOUSE STATEMENT,
DEC. 16, 1982¹

As you know, the United States has proposed the total elimination of U.S. and Soviet landbased, longer range INF [intermediate-range nuclear force] missiles—the zero-zero solution. As you also know from Soviet public statements, the Soviets have proposed that after 5 years, the U.S.S.R. and NATO reduce to a ceiling of 300 “medium-range” nuclear missiles and aircraft located in or “intended for use in” Europe, to include British and French forces. This longstanding position, which is basically unchanged, would allow them to maintain their monopoly over the United States in longer range INF missiles, especially their mobile, triple-warhead SS-20 missiles in Europe and the Asian U.S.S.R. The number of deployed SS-20s currently stands at 333 launchers.

A missile subceiling, as mentioned in recent press accounts, would at most require the reduction of some of these highly mobile systems in or “intended for use in” Europe, while requiring us to cancel entirely our deployments of Pershing II and ground-launched cruise missiles planned to begin in December 1983. This would leave the Soviets with a substantial monopoly over the West in long-range, land-based INF systems, would not constrain the overall levels of Soviet systems, would draw into the bilateral negotiations the nuclear forces of other countries, and is patently inadequate as a solution to the INF issue, since it would not eliminate the political and military threat to the alliance posed by Soviet longer range INF missiles.

We will continue the negotiations on a serious basis. During these negotiations, we and the Soviets have elaborated our positions in both formal and informal contacts. We will continue to study the Soviet position, and it will be among the things we will be discussing when the next round begins on January 27.

We have kept our allies fully informed about negotiations as they have occurred. We and they have reaffirmed in three recent NATO meetings at the foreign minister or defense minister level that the zero-zero solution remains the best arms control result, since it would eliminate the systems of greatest concern to both sides. The President and

his Administration are fully convinced of the reasonableness of this carefully developed proposal. Nothing could be fairer to all concerned.

¹Made to news correspondents by Deputy Press Secretary Larry Speakes (text from Weekly Compilation of Presidential Documents of Dec. 20, 1982). ■

Assessment of U.S. Relations With China

by John H. Holdridge

Address before the National Council on U.S.-China Relations, New York, on December 13, 1982. Ambassador Holdridge is Assistant Secretary for East Asian and Pacific Affairs.

I have been one of those fortunate enough during much of my professional career to be able to share in the high points and cope with the low points as the course of our relations with China dramatically shifted course. And during the past 2 years with the State Department's Bureau of East Asian and Pacific Affairs, which maintains operational responsibility for our China policy, I have been intimately involved with the continued evolution of this policy.

At this juncture—and we are at a juncture, in terms of U.S.-China relations—it is gratifying to have this occasion to look back and take stock: to see what hurdles we've already surmounted, to assess whether we are on the course, and to plot the direction and challenges that still line the track ahead.

Policy Framework

In the early days of this Administration, then-Secretary Haig sketched the broad outlines of the China policy-to-be in an interview published in *Time* magazine. Following the direction set by President Reagan, Haig stated that we would continue efforts to expand our relations with the People's Republic of China. The Secretary characterized this relationship and its development as “a fundamental strategic reality and a strategic imperative. . . of overriding importance to international stability and world peace.” We would adhere to the communiqués associated with U.S.-China normalization, he said, and we would maintain

unofficial relations with the people of Taiwan. He made clear then—as did I and others in the Administration from the President on down—that we would seek to restore dignity to the conduct of these people-to-people relations with Taiwan, but that we would observe the agreements regarding the nature of these relations contained in the U.S.-China Joint Communiqué on normalization and embodied in our domestic law.

In June 1981, Secretary Haig visited China, the first such visit by a Secretary of State since 1977. Haig used the occasion to inform the Chinese of President Reagan's conviction that U.S. policy toward China should reflect the friendly and cooperative nature of our relationship and of the Administration's plans to translate that into practical and meaningful terms in the form of a three-pronged initiative designed to give teeth to the relationship.

First, the President would issue a directive substantially increasing the level of technology to be routinely approved for sale to China, reflecting our intent to treat China as a friendly, non-allied state.

Second, the President would suspend the prohibition on arms sales to China embodied in our arms control legislation, permitting the consideration on a case-by-case basis of requests to export munitions list articles to China, a procedure we follow with all friendly countries.

Third, the President would propose to Congress that it amend those laws that treated China in the same manner as the Soviet Union and its satellites, to make clear that we do not consider China a potential adversary and to remove legal impediments to our further cooperation.

The Administration has registered significant progress in implementing this policy on all three counts.

Issue of U.S. Arms Sales to Taiwan

This is the framework from which we began nearly 2 years ago to manage and direct the course of the immensely important U.S.-China relationship. It was gradually discovered, however, that a keystone in the foundation had never been set in place. We faced, we learned, the threat of collapse of the entire structure unless we could devise a way of inserting and devising a proper fit for that keystone. I am referring, of course, to the issue of arms sales to Taiwan and the continuing U.S.-China discussions on this issue which culminated in the August 17 joint communique.

The arms sales issue was one deeply rooted in history, touching on the most basic principles and the deepest sensitivities of both the Chinese and ourselves. For that reason, previous U.S. Administrations and the Chinese had largely skirted the issue as we worked our way respectively toward normalization. The Chinese, however, had always reserved the right to raise the issue, and in the fall of 1981, we found we could sidestep it no longer.

I need not review in detail the 10-month-long negotiating process or period leading up to the issuance of our August 17 joint communique. It was an especially difficult and sensitive time for both sides. The sentiment in this country on not "abandoning" Taiwan is well known, and the Chinese, for their part, have repeatedly made reference to the feelings of China's "1 billion people." The utility of the communique is that it has provided both the Chinese and ourselves with a means of handling the problem in a way that allows us to continue, and hopefully advance, our bilateral relations without compromising important principles on either side. On the basis of policy statements enunciated by both governments in the communique, I believe that we have found that good fit that will firm up the foundation and allow for the development of a sound and solid relationship in the period ahead. In essence, the communique establishes a formula whereby the Chinese state that they will strive for a peaceful solution to the Taiwan question, and we accordingly state that under those circumstances we will gradually reduce the level of our arms sales to Taiwan. This position of ours is entirely

consistent with the Taiwan Relations Act, which predicates U.S. arms sales to Taiwan on our judgment of Taiwan's military needs.

Relations Since the Communique

Since the communique, both of us have been taking a brief respite these past few months, turning our attention to pressing domestic concerns. We have had an election campaign; the Chinese have had their 12th Party Congress in September and a National People's Congress in December; and other international trouble spots and relations have demanded concern. During this period, however, there has been an unfortunate tendency for rhetoric to dominate the headlines, perhaps with domestic constituencies in mind. Moreover, reflecting the fact that the communique process was painful and difficult, a certain uncomfortable aftertaste was left behind. In this same period, the Chinese have been widening their options somewhat, developing an independent foreign policy line which stresses identification with the Third World and even resuming a dialogue with Moscow. This alignment with the Third World is not a new policy—we have watched it evolve for at least 2 years, as witness the speeches by China's representatives in the U.N. General Assembly—but it has received even greater emphasis lately. The Sino-Soviet dialogue is a more recent development.

The period of respite is ending. Secretary Shultz will be visiting Beijing in the not-too-distant future for what we hope will be serious, constructive, and wide-ranging talks with the Chinese leadership. It is time now to drop the rhetoric. We must get on with the practical action and statesmanship necessary to advance the relationship for the benefit of both our peoples.

Good relations with China have served our interests well over the past decade. I need not attempt to convince this audience of the benefits which have accrued, both strategic and otherwise. China's 1 billion people are entering the mainstream of the international economic system. The volume and value of bilateral trade between our two countries has grown tremendously in the past few years. China is now our 14th largest trading partner and 5th largest market for agricultural products. And China, with its extraordinarily rich cultural tradition and so much to contribute, has moved out of its former isolation, much to our and the world's benefit. More than 9,000 Chinese

students are now enrolled at U.S. educational institutions. More than 500 Americans study in China each year, and tens of thousands more are availing themselves of the opportunity for an incomparable travel experience. The reciprocal benefits to China as it embarks on its ambitious program of modernization are incalculable.

The strategic element has always been fundamental to the development of our relations as well. President Reagan, as recently as August, has said that:

Building a strong and lasting relationship with China has been an important foreign policy goal of four consecutive administrations. Such a relationship is vital to our long-term national security interests and contributes to stability in East Asia. It is in the national interest of the United States that this important strategic relationship be advanced.

In addition, however, we have since normalization maintained that China's concentration on economic normalization is beneficial to world peace, and we wish to assist in this modernization process.

Our perceptions of many of the world's more troublesome problems are in close tandem. We endorse the Chinese view that the Soviets need to prove with deeds, not words, their desire to make progress toward a peaceful solution of the problems they have done so much to create and aggravate. The Chinese have undertaken a series of negotiations with the Soviets and have specifically aimed at progress on the issues of Soviet troop reductions on the Sino-Soviet and Sino-Mongolian borders, Soviet withdrawal from Afghanistan, and a halt to Soviet support for the Vietnamese occupation of Kampuchea. Both sides must overcome a bitter legacy of military confrontation if they are to reduce tensions. It is too early to speculate on prospects. In general, we would welcome developments that would reduce regional and global tensions. We would also welcome genuine—not simply cosmetic—reductions in Soviet armed forces that threaten neighboring states. The Chinese, however, should be under no illusions as they proceed with these talks, and they must be well aware of the continuing Soviet deployment of advanced weaponry, including SS-20s and Backfire bombers, east of the Urals.

Besides shared views on Afghanistan and Kampuchea, our views remain close in international issues ranging from U.S.-Japan defense arrangements to U.S. deployments in the Indian Ocean, U.S. missile deployments in Europe, and the need for a strong NATO.

In areas where we have at times differed—the Middle East, southern Africa, and Third World issues—we have in the past been able to conduct a constructive dialogue, and my hope is that we will be able to continue so in the future. We will, in addition, work to live up to our part of the understandings expressed in the August 17 communique, as we will expect the same of the Chinese.

We have not—indeed, we could not—ignore some of the more simplistic rhetoric that has been emanating from Beijing of late. To put it bluntly, we take exception to Chinese references to us as “hegemonists” and expect better from the Chinese than being lumped together with the Soviets as the cause of all the world’s ills. Given the complexity of international issues which confront us today, a “Xiu Shou Panguan” [to stand off to the side—literally, with arms folded and hands in the sleeves] approach will no longer do. We know, on the basis of our past dialogue with Chinese leaders, that they are fully at home with more sophisticated and constructive analyses. As Secretary Shultz prepares for his visit to China, I am confident that we can realize a successful return to the kind of active, serious, constructive, statesmanlike dialogue that is necessary for our two important nations to conduct in the interest of regional and global peace.

At the same time, we cannot afford to overlook the differences between us. Each side will be closely watching the other’s performance under the August 17 communique, which we on our side, of course, intend to honor fully. China, for its part, will be looking for us to provide more in the way of technology transfer and support of its economic modernization. There has been some disappointment on this score, perhaps generated by unrealistic expectations.

The Future

I am upbeat on the future of U.S.-China relations. The very fact that we were able to overcome the obstacles on the path to the communique is an excellent indication of how highly each side values the relationship. The momentum is now building for renewed progress. Secretary Shultz’s visit will provide a needed shot of adrenalin. It will be preceded by an important session of the U.S.-China Joint Economic Commission opening today in Washington under the chairmanship of Treasury Secretary Regan and attended on China’s part by Finance

Minister Wang Bingqian. We are looking forward to other exchanges of high-level visits. In short, the wheels have already begun to turn and we’re heading out of the station moving off in the right direction again.

With the foundation now hopefully well repaired and proceeding on the basis of equality, mutual benefit, and mutual trust, our two nations which have so much to learn from and so much to offer each other are ready to rechart the course of their relations. I believe we are on our way to making 1983 a good year for U.S.-China relations.

In closing, if I may, I would like to look at one brief moment in the past and then ahead to the coming decades. Just over a decade ago in the Great Hall of the People, welcoming President Nixon to China, the late Premier Zhou Enlai

stated to the world that “the Chinese people are a great people, and the American people are a great people.” These were simple words, but they had a great impact on me as he called upon the two nations to bring to an end a long and bitter period of estrangement.

As we look to the future, we must recognize that the world has grown even smaller in the 10 years since, and the challenges facing both nations, in terms of meeting our peoples’ needs and safeguarding the security of our planet, are greater than ever. With cooperation, hard work, and a sense of vision, the United States and the People’s Republic of China can accomplish much as they face these challenges. Together we can make a profound contribution to the region and the world as we pursue the overall goal of world peace. ■

Balancing Strategic Interests and Human Rights in Asia

by Thomas P. Shoesmith

Statement before the Subcommittees on Asian and Pacific Affairs and on Human Rights and International Organizations of the House Foreign Affairs Committee on December 9, 1982. Mr. Shoesmith is Deputy Assistant Secretary for East Asian and Pacific Affairs.¹

I am pleased to be here today to testify at the conclusion of your series of hearings on balancing U.S. strategic interests and human rights in Asia.

Let me begin by reemphasizing what Assistant Secretary Holdridge said in his testimony before these same two subcommittees just 1 year ago: Human rights is an integral element of this Administration’s foreign policy to be considered along with—not against—other factors. In following this policy direction, we in the East Asia and Pacific Bureau and in our embassies abroad view human rights improvements as a goal to be pursued in tandem with our security, political, economic, and commercial interests. A strong human rights policy strengthens our overall foreign policy by distinguishing us from our adversaries and by making it clear that American interests are based on American values and beliefs.

One cannot define U.S. strategic interests without touching on all of those

elements of policy I have just mentioned. In its broadest terms, our principal strategic interest is deterring the increasingly assertive Soviet presence in East Asia and the Indian Ocean. This can best be achieved by supporting growth and stability in the region through the variety of security, political, economic, and commercial programs we pursue. The contrast between the dynamic free market economies in East Asia and the seriously ailing Communist economies has been among our greatest strengths in the area. The success of free market economies has been and should continue to be a bulwark against Communist penetration of the region.

We have additional strategic objectives of maintaining access to vital raw materials for which the region is a significant source, protecting key sealanes of communication in the region and those that link East Asia to the Indian Ocean and the Middle East, and enhancing stability of friendly governments of the area so that they may also act in ways that further our common global security and other interests.

In this latter context, we believe that stable, self-confident governments, based on popular consent and support, will be more inclined to undertake actions which will improve the human rights situation and the humanitarian services in their countries. We likewise believe that human rights abuses undermine governmental legitimacy and may

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thereby become a destabilizing factor tending to vitiate other components of our strategy to foster peace, prosperity, and stability.

Our strategic interests in the various individual countries you have cited can be seen in the larger overall context. Our security concern in Korea is for the preservation of peace and stability in Northeast Asia—which in turn has a profound and direct bearing on the security and prosperity of the United States. In fact the security of the entire North Pacific would be seriously impaired if the balance of forces on the Korean Peninsula were upset. Korean domestic and foreign policies continue to be influenced by the real threat from the North, and for the great majority of Koreans national security remains a preeminent concern.

Our bases in the Philippines are essential not only for protecting East Asian sealanes and demonstrating our continued concern for peace and security in the region but also for projecting U.S. power into the Indian Ocean.

And finally, the decade of U.S.-P.R.C. reapproachment has demonstrably enhanced our own security and that of our friends and allies in Asia. The very fact that we no longer have to structure forces against China has given us greater flexibility in meeting challenges in the Indian Ocean and Persian Gulf and in protecting the sealanes in the region.

Human Rights Interests

As I have already indicated, we do not believe a line should be—or can be—drawn between human rights interests and strategic interests. On the one hand, we cannot be indifferent to the adverse effects on our strategic interests of a pattern of persistent and gross violations of human rights within a country with which we are allied or whose cooperation we seek in pursuit of such interests. On the other hand, we must be concerned to exercise such influence as we can bring to bear in preventing or redressing human rights abuses in such a way as to maintain an effective working relationship with the government concerned. Without such a relationship, we will be unable to pursue either our strategic interests or our human rights concerns.

Perhaps the manner in which we have attempted to follow this balanced approach will be clear in discussing some of the specific questions you have raised in your letter.

I do not believe that quiet diplomacy can be fairly described as “silent diplomacy.” While we prefer to rely on diplomatic channels where relationships with the government permit serious discussion of human rights problems, we do not shy away from speaking out when that approach can be most effective. Our human rights reports, which are widely read, attempt to describe the human rights situations of countries in Asia in an accurate and objective manner. They constitute the Administration's assessment of the human rights record of nearly every government in the world.

Regardless of whether a government is popular or unpopular, it is often the case that our efforts to work together with a particular government in other areas can give rise to resentment by opposition groups against the United States. The fact that our bilateral relations are necessarily conducted with the government concerned, however, is not indicative of support for all the domestic or foreign policies of that government. Further we also have contacts and discussions with groups or individuals in the country who do not agree with every aspect of that government's policy. We try to make it a point to keep in touch with responsible opposition leaders and groups in order to listen to their points of view and explain our policies. Our ambassadors and their staffs engage in this kind of activity on a regular basis.

One particular example in this regard was the Vice President's breakfast with some 50 opposition figures during his visit to Korea. The Vice President also spoke to the National Assembly and emphasized the benefits of a strong parliament. In our relations with friendly governments, we try to promote respect for human rights by emphasizing the value of popular participation in government and of developing stable democratic institutions and by discussing specific human rights problems in regular diplomatic channels.

We do not feel it is useful to list successes and disappointments of any Administration in the human rights field since this contradicts the purpose of quiet diplomacy. A major drawback, of course, is that relying on traditional diplomacy to advance our human rights interests is not as visible as public diplomacy, but we believe the former is generally more effective, particularly when we have good relations with a particular government. Either to condemn or to take credit publicly would undermine our ability to use our influence to

promote general progress on human rights and to deal with specific cases. In addition to the human rights reports, we do make public statements during the year designed to complement our diplomatic channel. A careful mix of the two approaches is necessary.

A discussion of four specific examples in Asia—the People's Republic of China, Korea, Philippines and Taiwan—will serve to highlight our approach to human rights.

People's Republic of China

We have friendly relations with the P.R.C., but this does not mean that we condone the abridgement of human rights in that country. There are considerable human rights problems in China as will be pointed out in our annual human rights country report. It should be pointed out, however, that in contrast to the U.S.S.R., China is not attempting to undermine democratic regimes and the development of pluralism and democratic institutions in other countries.

The Government of China is neither as brutal toward its own citizens or as threatening to its neighbors as either North Korea or Vietnam. It has repudiated many aspects of the Soviet model that previously guided its political, economic, and social life. It is beginning to institute a functioning legal system and is attempting to set up institutions which share political power. The highly centralized political structure still imposes significant restrictions on individual rights and freedom and tolerates no fundamental criticism of the Communist Party or the Socialist system, but the trend continues to be toward a somewhat more open society.

Current trends in China toward greater personal liberty are also more promising than those in its Communist neighbors. We believe the close association which China has sought with its non-Communist neighbors and industrialized states will strengthen this trend. For example, over 100,000 Americans visit in China each year, and 9,000 Chinese are students in the United States. Such contacts, so different from those of China's Communist neighbors, will inevitably be a leavening effect on Chinese development.

Korea

The human rights situation in the Republic of Korea is mixed. The Korean constitution, in effect since late 1980, expresses the aspirations of the people

for a political system which is responsive to the popular will and guarantees basic human rights. In fact, the government has liberalized rules on a broad range of matters, including travel abroad, university admissions, and the lifting of the national curfew. And, while power is heavily centralized in the executive, the National Assembly is showing increasing signs of asserting its traditional role as a forum for responsible and, at times, critical oversight of the government.

At the same time, however, strong law and order measures, enacted prior to the lifting of martial law in January 1981, sharply limit political activity and establish strict government control over the press, public assembly and demonstrations, and labor organizations. And, while a number of prisoners have been freed or had their sentences reduced by presidential amnesty during the course of the year, we estimated that some 350-450 persons remain in prison for political reasons.

We believe that an atmosphere in which human rights are respected will help build a consensus that will assure stability in the longer term and contribute to the achievement of Korea's full potential for political, economic, and cultural development.

Philippines

We have a continuing dialogue with the Philippines on human rights issues through diplomatic channels. We continued this dialogue during the state visit of President Marcos. We believe that the United States can maintain our strategic and security interests with the Philippines at the same time we pursue human rights issues.

In recent years, there were some improvements in civil and political rights in the Philippines. Martial law was formally lifted in January 1981. Although the president retains in reserve most of his martial law powers, he has used them sparingly.

Restrictions on the press and public assembly were eased, but the government's most recent action in closing the leading opposition newspaper and jailing its writers is a matter for concern. Strikes are no longer banned but are

subject in some cases to compulsory arbitration. *Habeas corpus* has been partly restored, and the number of those termed "political detainees" has declined. In May 1982, elections for barangay officials (the lowest administrative unit) were held for the first time in a decade. Parliamentary elections are slated for 1984.

Abuses by some members of the military, mainly in insurgency areas, are a continuing problem. There have been some allegations of physical abuse and summary executions. Some prisoners have been held for long periods while legal processes drag on without end. We have discussed these problems with the Philippine Government.

Taiwan

Administration officials and American Institute in Taiwan employees take advantage of numerous opportunities to express to Taiwan representatives the view that restrictions on legitimate political activities and violations of human rights undercut support for Taiwan in government, academic, and other groups in the United States.

In Taiwan publication and public expression of oppositionist sentiment have become gradually freer in the aftermath of the trial and conviction of the Kaohsiung defendants. Nevertheless, there continue to be strict limits to what is acceptable. Although individuals may run for elective office, coordinated opposition activity is restricted, and the authorities apparently remain determined to prevent the formation of an opposition political party. The activities of outspoken oppositionists are monitored, both in Taiwan and, apparently, abroad.

We welcome the support you and your committee have given to efforts to improve human rights conditions in East Asia and the Pacific. Your interest has helped stimulate, I believe, many governments in this region toward practices which promote both personal liberty and security for their societies as a whole.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Strategic Petroleum Reserve

MESSAGE TO THE CONGRESS,
DEC. 1, 1982¹

This is to advise the Congress that pursuant to Section 160(c)(1)(B) of the Energy Policy and Conservation Act (Public Law 94-163) as amended by Section 4(a) of the Energy Emergency Preparedness Act of 1982 (Public Law 97-229), I find it would not be in the national interest to fill the Strategic Petroleum Reserve at the rate of 300,000 barrels per day during Fiscal Year 1983.

When my Administration took office 22 months ago, one of my first actions was to direct a rapid acceleration of the pace of oil acquisition for the Strategic Petroleum Reserve. As a result, the fill rate during Fiscal Year 1981 averaged over 290 thousand barrels per day. The fill rate for Fiscal Year 1982 averaged 215 thousand barrels per day. This contrasts sharply with the average fill rate of less than 77 thousand barrels per day achieved during the four years of the prior Administration. Of the 288 million barrels now in the Strategic Petroleum Reserve, 178 million barrels, or 61 percent, were added during my Administration.

This Administration has also entered into long-term purchase commitments that will give greater assurance of maintaining our fill rate objectives over the coming year while lowering the cost of building the reserve.

Another major policy action instituted at the start of this Administration—immediate decontrol of the domestic oil market—has also contributed greatly to our energy security by reducing oil imports and stimulating domestic production. In the 22 months of my Administration, oil imports have declined dramatically. Our dependence on imports from OPEC [Organization of Petroleum Exporting Countries] sources is now only 51 percent of the 1980 level.

As a result of rapidly implementing these policy actions to enhance our

energy security, the oil on hand today in the Strategic Petroleum Reserve would provide 130 days of complete replacement for OPEC imports in the event of an embargo. That is nearly six times the level of protection our nation averaged in 1980.

The commitment of this Administration to building and maintaining an adequate Strategic Petroleum Reserve is clearly demonstrated by the record of accomplishment. But we are equally committed to carrying out this program in the most efficient, cost-effective manner. The fill rate at which we plan to operate during 1983 reflects a careful balance between these two objectives. To operate at the 300,000 barrel-per-day rate would require extensive use of temporary storage facilities, which would significantly increase the cost of the program for very limited incremental benefit.

I must also note that increasing our fill rate objective to 300,000 barrels per day in Fiscal Year 1983 would force additional expenditures of over \$1 billion. In the current economic climate, I believe that this additional expenditure would be harmful to growth and job creation because of the increased Treasury borrowing it would necessitate. Compliance with the increased fill rate would thus be inappropriate due to economic conditions affecting the general welfare.

RONALD REAGAN

¹Text from Weekly Compilation of Presidential Documents of Dec. 13, 1982. ■

Secretary Visits Europe; Attends North Atlantic Council

Secretary Shultz departed Washington, D.C., December 6, 1982, to visit Bonn (December 7-8), Brussels (December 8-11), The Hague (December 11), Rome (December 11-14), Paris (December 14-15), Madrid (December 15-16), and London (December 16-18). He returned to Washington on December 18.

Following are news conferences, statements, and toasts he made on various occasions during the trip, as well as the final communique issued at the conclusion of the regular semiannual session of the North Atlantic Council ministerial meeting in Brussels.¹

NEWS CONFERENCE, BONN, DEC. 7, 1982²

Many words can be used to describe the relationship between the Federal Republic of Germany and the United States—partnership, alliance, strength, steadfastness, hospitality. I have experienced all of those words here in my discussions with Foreign Minister Genscher. Those words have characterized the outstanding visit of Chancellor Kohl to Washington some 3 weeks ago, and they have been historically descriptive of the relationship between these two countries. I have come here with that spirit very much in mind, both for the purpose of the meeting here and the discussion of things that interest the two countries and also as a prelude to the meetings of the NATO foreign ministers that we might consult a little bit about those meetings.

We have discussed a very wide range of particular issues having to do with the NATO-type issues, the two-track decision and the mutual reaffirmation of the importance of that decision and all of its implications. We have discussed East-West economic relations and our determination to proceed with the program that we set out as a result of discussions in New York, Washington, La Sapiniere, and elsewhere. We discussed Central America, South America, and our interests there and many other matters of mutual interest.

We know in the end what we all seek is reduction of armaments. We

know that we have to be strong if we truly can contemplate that as being a possibility of reality. We want a world of peace, and we also know that we are having these discussions against the background of economic difficulties. We were joined by Mr. Lambsdorff [Dr. Otto Graf Lambsdorff, Economics Minister] for some discussion of those matters and I hope that some good can come forward on that part as well.

Q. Would you be prepared to comment on the statement by Soviet Minister of Defense Ustinov, who asserted that, in case of MX stationing according to current plans, the Soviets would feel compelled to station a similar weapon, a comparable weapon, and that the stationing of these weapons would represent a gross violation of the SALT II agreement?

A. The problem is to the contrary. The Soviets have been developing such missiles and putting them into place. It's the same problem as in the intermediate-range missile issue. The issue for us is to match this strength. We are determined to modernize our position. At the same time, the President has put forward very strong suggestions for the reduction of armaments, and these are being negotiated in Geneva. But in the meantime, in this as in other areas, we must maintain and develop our strength, not only for its own sake but as the basis for any reality in the negotiations.

Q. Does that violate the SALT II agreement?

A. We don't believe so.

Q. Over the weekend the heads of state of the European Community gave what they called a signal of Copenhagen, suggesting to the Soviet Union that it should take positive steps toward the West, and the West would then react in turn positively. How do you assess such a possibility?

A. I don't have any way of assessing the likelihood that the Soviet Union will decide to do the things that are necessary to improve the relationships between themselves and the United States and our European friends. The position that we have had is, I think, quite similar to that expressed

here—that we must be realistic about what's going on. We must maintain our strength. We must be ready to negotiate, and if in these negotiations we find a constructive response, then the negotiations have some chance to succeed.

I might say also that we are very conscious in the United States of a wide variety of destabilizing activities that seem to have their origin in many cases in the Soviet Union. I have just been traveling through South and Central America, and here we see the effects of armaments flowing into democratic regimes and destabilizing them. And we don't regard this as a contribution to peace in the world. So there is lots of room for improvement.

I would agree with the statement that you quoted from the European heads of state that we will welcome any substantive moves from the Soviet Union in directions that can lead to more stable and constructive relationships around the world.

Q. May I ask you to be somewhat more detailed or more explicit regarding your statement that the Soviets had already developed and stationed such weapons?

A. They have, as the President developed in his address on the MX subject, a formidable arsenal in place, and it is this continuous buildup of Soviet weaponry that much of our response is directed to.

Q. In connection with the lifting of the sanctions against the gas pipeline deal, it was said one of the conditions was to reach an understanding and agreement on a common trade and economic policy vis-a-vis the countries of Eastern Europe. Could you tell us how much progress has been made in developing a common strategy vis-a-vis the countries of Eastern Europe.

A. First, I have to disconnect the question because the question implied that the discussions of our East-West economic strategy were conducted as a sort of negotiation vis-a-vis the pipeline issue. In actuality, as Mr. Genscher will bear out since he and his representatives were a very instrumental part in the whole thing, we all agreed that the general question of East-West economic relationships deserved to be addressed with urgency and with a different spirit than in the past. And so we moved forward on that. The President's decision was that the prospect for moving forward on these alternative means was promising enough and strong enough so

that he could, in effect, switch from the pipeline sanctions to this approach.

As far as the ingredients to this strategy are concerned, they are in different stages, and I'll try to run down where we stand on them.

First, perhaps the most fundamental step that was proposed is a broad East-West study of economic relationships based on certain principles that have been set out. We are now in the process of trying to formulate just how to go about the undertaking of that study. But I think people are broadly and completely committed to doing it. One of the things that Mr. Genscher and I touched on in our discussions this afternoon was mutual agreement to move forward with that. We have some ideas about it. I hope during the course of my trip to Europe, we'll be able to firm up just how we are going to do the study.

Second, on the question of credits; there has been, of course, considerable discussion of this within the framework of OECD [Organization for Economic Cooperation and Development], and that will proceed.

Third, there is the question of COCOM [Coordinating Committee for Multilateral Security Export Controls]. That has been moving forward in a very satisfactory way with a considerable political impulse to do so.

Fourth, there is the question of other high technology, in particular oil and gas equipment. We have to formulate how to get at that. It is similar in terms of the kind of analytical and administrative skills needed for COCOM. In one way or another, I think, we will see it drift in that direction, but still there has to be the right setting.

And finally, the same can be said for the broad energy study that needs to be undertaken, particularly looking at alternative sources of supply and estimating the demand.

In general, I think, Minister Genscher and I agree that the more we can use existing forums to work out these matters, the better we are going to be. I look forward to discussing all of this with my European colleagues during this trip.

Q. Do you believe that only the military experts could decide which kind of high technology is militarily important?

A. Obviously, the essential skills are in part military and in part sort of scientific engineering skills that are required in either case.

Q. Did you also discuss with Mr. Genscher the Middle East problem, and how do you see the situation at the moment? The fact that you received two Palestinian mayors the other day, does that mean that you are ready—the United States would now be ready—to recognize the PLO [Palestine Liberation Organization]?

A. The answer to the last part of the question is that the conditions under which we will talk to the PLO have been set up very clearly, repeatedly, and remain unchanged.

But I'll repeat them again if you wish; namely, that when they recognize the right of Israel to exist and U.N. Security Council Resolutions 242 and 338 as the basis for peace in the Middle East. We are ready to talk to the PLO. Until then we aren't. The two mayors that I met were not representatives of the PLO. They were former mayors of West Bank communities who had been ejected for reasons that we didn't find persuasive. I didn't answer the question about the Middle East but you were only giving me the PLO needle, and we'll let it go at that.

Q. There were indications this morning that the Federal Government had gained the impression during contacts and talks in the course of the Brezhnev funeral rites that the Soviets might be considering pulling out of Afghanistan or had the desire to do so. Could you comment on that?

A. The range of our discussions so far—and remember I am just in the middle of this visit here—is very wide. As a matter of fact, we did touch on Afghanistan and many other issues. Whether there is a potential movement on the part of the Soviet Union or not remains to be seen. And I think that there are so many signals this way, that way, and every other way that we need to go out of the signals business and look for substance. We'll be very interested to see if any substance develops.

Q. I have another question concerning East-West trade. Who in your opinion would be best suited to formulate this common policy of the West? And who is going to draft this study once agreement has been reached on what should be said in the study?

A. There are many possible ways of going about it. The interested countries as such will have to do a great deal of the work as distinct from an international staff. Nevertheless, our bias, as I

said earlier, is toward lodging all of these studies to the extent possible in some existing international institution, and we'll benefit from the experience and the staffs of those institutions. It has not yet been decided precisely where to put this. I hope that as my visit to Europe unfolds and I have a chance to talk to people, we'll gradually formulate our agreement on that point.

Q. I suppose there is a certain timetable on consultations in connection with this joint East-West economic strategy. What is this timetable like?

A. The timetable varies according to the subject matter of the different items that I mentioned. Some represent actions that can be put in place, or improve on what is in place already, and some represent studies that need to be accomplished. I don't see that any of these studies need to take forever. So I think, without trying to put deadlines on things, we ought to be thinking in terms of months. But I don't want to put some deadline down because that often causes artificial uncertainties.

Q. There is information that martial law in Poland may be lifted and that all the detainees would be released. Would that change your position—the position of the United States of America—vis-a-vis Poland?

A. It wouldn't change it. What has changed over a period of years is what the Polish Government has done to its people. And if the Polish Government changes the way it behaves toward its people, that will be welcome news. We will await any developments and when we read the accounts of them we want to examine carefully what the reality is. We hope that the reality will gradually emerge as something better for the Polish people than they have been subjected to for the last year or so.

Q. I wonder if we could please seek a clarification of your reply earlier about the Soviets having a new ICBM [intercontinental ballistic missile].

A. No, I didn't say brand new. I was referring to what the President developed in his television address having to do with the MX decision. He developed the buildup of a Soviet weaponry and juxtaposed that against what had been going on as far as the United States is concerned and thereby the necessity for us to modernize and develop our own weaponry.

Q. Is that the same area of [inaudible] destabilization activities within the United States?

A. I didn't say anything about destabilizing within the United States. I talked about Central America.

DINNER TOAST, BONN, DEC. 7, 1982³

Foreign Minister Genscher, my friend, my host, my colleague in the world of foreign affairs; I might say that I am senior to you in that you have just been reappointed foreign minister, but I am very junior to you in so many respects that the opportunity to be here at the start of my visit to Europe and talk with you and the Chancellor and President Carstens, not only about our relationships together as two countries but also about our alliance, is of great importance to me. But I would like to first say how grateful I am to you and Mrs. Genscher and distinguished guests here for joining us and in extending this wonderful warmth and hospitality that is so clear here this evening and has been clear to me throughout the day as I have had the privilege of talks with members of your government. That warmth and hospitality is very important to us.

I might say also that the discussions that we have had have been very productive, full of content, as your very gracious toast suggests. We have covered an awful lot of ground in a comprehensive way and in a probing way. I suppose that is just what is appropriate for two countries that have as many things that pull us together as our countries do. There are a million—or perhaps a little more—Americans on your soil. For the most part, they are military people and their families. We think they are here on a mission of peace. We think they are here in the interests of the United States and in your interests, our shared interests. And that is the way we look at it, and that is the faith that we will keep.

I have heard that on the order of 25% of the residents of the United States—the citizens of the United States—in one way or another can trace their roots to Germany. Now I don't know about a figure like that, and I hesitate to use a number of that kind in the presence of my teacher and the great Arthur Burns [U.S. Ambassador to West Germany] because Arthur is a

stickler for numbers. Whenever you use a number in Arthur's presence, he will come around later and say to me, "George, where did you get that number?" But I have the perfect answer on this occasion. I'll say, "Arthur, you gave it to me."

But I might say it is a measure of the respect and friendship that we have, and that President Reagan has, that we are able to persuade and able to send you such a distinguished person as Arthur Burns and Helen Burns. I feel very strongly about this personally because I have had the privilege of working with and for Arthur for a great many years. And I know there is no person in the United States who stands taller and is more respected. He is more than an Ambassador here; he is a very distinguished American and a very distinguished citizen of the world. So when I have a number from Arthur I know that I am in very safe hands.

I said that our discussions have been comprehensive and productive, as is suggested by the wide range of topics that were brought up in your own remarks here this evening, Mr. Minister. And I don't want to try to review them here in any detail, but it is quite clear that they have to do with our alliance, where you and I are going as ministers to the NATO ministerial meeting.

I think it is very well for us all to keep in our minds that this alliance has been and remains today one of the greatest alliances in history. It is an alliance for peace. There has been no war in Europe while this alliance has been in being although there have been tensions. There have been incidents or whatever you may want to call them all over the world, much bloodshed all over the world; but I think, in very considerable part due to the alliance, that has not been true here. So it is something that we prize and we work on and we develop together. We have, as we all recognize, the dual-track decision, which you and the Chancellor affirmed very positively to me today, as the most recent expression of the things that we share together and recognize as important.

Outside this sphere of the alliance and the concerns that go with it, of course, we have our economic relationships to think about. And it was, I think, significant to notice in your remarks that you brought forward both the importance of an economic strategy in our East-West relationships which we are together determined to work out to our mutual benefit and also what we share

on the importance of the trading community around the world.

We had a meeting in the GATT General Agreement on Tariffs and Trade here recently, and how it should be evaluated I suppose depends on your point of view. There is a gag on rating things going around these days. I was asked by a reporter as we were winding up our South American trip with the President recently, on a scale of one to ten, how would you rate the trip? Of course, I immediately said "eleven." But nevertheless it is important to recognize that with all of the difficulties we face in our economies and in the world economy there were positive assertions of the importance of open trade, and at least the beginning of a sensitivity to the emergence of that great miscellany now called "services," but which I predict will sooner or later be called such words as "banking" and "insurance" and "engineering," and so on, the real parts of this word. There is a recognition of this new and emerging and very important aspect of trade and the necessity for dealing with it. So that is a positive element.

At any rate, the point is that as we worked on this matter of the greatest difficulty, I know that we found that the representatives of your country and mine found much in common, perhaps most of all found a philosophic base in common which made it possible for us to work fruitfully together.

Finally, I could practically pick up and read and welcome your own comments about the truly significant base of our relationship and that has to do with the values that we share. The human values, the democratic values that sustain us and sustain our alliance and make us, as we look perhaps at other parts of the world, recognize what a good deal we really have in having a situation of freedom and a sort of progress and a sense of humanity that characterizes your world here and mine in the United States.

Again I am most grateful to you for this warm and hospitable greeting and even more for what it stands for—the strength of our relationship, the content of it, the ability to talk and discuss, share views on important issues. These matters are of tremendous significance to me and benefit to me and my job, even more of great significance to my countrymen and to President Reagan, who has asked me to express to this gathering, as I did to Chancellor Kohl, his very best wishes.

In that spirit, I would like to ask you to join me in a toast to my host and hostess, Minister and Mrs. Genscher, and to the continued friendship and well-being of our countries and their relationship to each other.

ARRIVAL STATEMENT, BRUSSELS, DEC. 8, 1982⁴

I'm delighted to have a chance to come to this city which contains so many important things. I'll be here to visit leaders of the Government of Belgium, to confer with my colleagues in the North Atlantic alliance, and to meet with leaders of the European Community on economic matters.

I think this must be put down as a special time of problems and opportunities. We all know of both. Certainly in the field of tensions in the world, there are many that we must reckon with. And the North Atlantic alliance has proven to be the world's most durable and effective alliance. It is an alliance for peace, and we want to keep it that way. We know that there is a very large military buildup on the part of the Soviet Union and that it takes strength to meet strength. At the same time, in keeping with the dual-track decision, we must always examine both sides of the coin. And as we have strength, we also have the strength to negotiate. And we will, of course, be talking about both of these matters in the meeting of the North Atlantic alliance.

I look forward to calling on Prime Minister Martens and Foreign Minister Tindemans and to renewing my acquaintance with them and discussing important matters here in Belgium.

I might say that years ago when I was Dean at the University of Chicago and thinking of ways to internationalize our curriculum, I came to Belgium and worked out a program that was quite successful in collaboration with the University of Louvain. So I know a little bit about Belgium beyond just what I'm meeting on here today.

Finally, at the end of my stay here, I will be meeting with Gaston Thorn [President of the European Community Commission], a friend of many years, and his colleagues to talk about some of the economic issues—and I believe opportunities—that we face. Certainly, it seems to me, we need to keep in our sights right now that the world needs economic expansion. And in addition to

discussions of the particular issues that we intend to scrap about, we need also to think about ways in which we can work together effectively to see our economies expand.

I'd like to make one comment about an event that took place in Washington yesterday, namely the vote in the House of Representatives on the basing mode of the MX missile. This, as the President has said, is a disappointing vote, and we think a mistaken one. In view of the fact that we think it is mistaken, of course, I am sure that the President will be seeking to turn it around, not only in the Senate but in working with American people to be sure that they understand fully the implications and the importance of the deployment of the MX missile.

I should emphasize that long-range, land-based missiles are now in place on American soil and what we are talking about here is a modernization of that weapon system and a shift in the basing mode. In the end, I feel confident that it will go forward. Nevertheless, it certainly is the case that the vote in the House is a disappointing one.

NORTH ATLANTIC COUNCIL COMMUNIQUE, BRUSSELS, DEC. 10, 1982

The North Atlantic Council met in Ministerial session in Brussels on 9th and 10th December 1982 and agreed as follows:

1. The Atlantic Alliance, based on the ideals and value of democracy, has through its strength and cohesion succeeded in preserving peace and independence for the free and equal members of this partnership. On this solid foundation, the Heads of State and Government reaffirmed at their meeting in Bonn on 10th June 1982 the Alliance's policy of a strong defence and of East-West dialogue. Moreover, they set forth their programme for peace in freedom, emphasizing their resolve to develop substantial and balanced East-West relations aimed at genuine detente based on the effective application of the principles and provisions of the United Nations Charter and the Helsinki Final Act.

2. The Allies will maintain a firm, realistic and constructive attitude towards the Soviet Union on the basis of mutual acceptance of the principles of restraint and responsibility in the conduct of international affairs. The desire to improve relations with the member states of the Warsaw Pact and to extend areas of co-operation to their mutual benefit.

The Allies look to the Soviet leadership for tangible evidence that it shares their readiness to act in this spirit. They expect

the Soviet Union to honour its obligations and to show respect for the sovereignty and independence of other states. In face of the continuing and massive Soviet arms build-up, the legitimate security concerns of the Allies remain and must be recognized. But the Allies are open to all opportunities for dialogue, will welcome any positive move to reduce tension and desire, if Soviet attitudes allow, to co-operate in re-building international trust.

3. The violations in Poland of the Helsinki Final Act and of the conventions of the International Labour Organization, in particular by the banning and dissolution of trade unions including Solidarity, continue to cause the gravest concern.

The Allies call upon the Polish authorities to abide by their commitment to work for national reconciliation. Recalling their declaration of 11th January 1982,⁵ the criteria of which are far from being fulfilled, the Allies have noted the recent release of a number of detainees and continue to follow closely developments in Poland, including possible relaxation of military rule. They emphasize that in this regard the actions of the Polish authorities will be judged by their practical effects. The Allies consider that the improvement of relations with Poland depends on the extent to which the Polish Government gives effect to its declared intention to establish civil rights and to continue the process of reform. Freedom of association and the rights of workers to have trade unions of their own choice should not be denied to the Polish people. The dialogue with all sections of Polish society must be resumed. The Allies call on all countries to respect Poland's fundamental right to choose its own social and political structures.

4. In violation of the United Nations Charter and despite repeated calls from the General Assembly, the Islamic Conference and other international bodies, the Soviet Union continues its military occupation of Afghanistan in the face of determined resistance by the Afghan people. The Allies call upon the Soviet Union to accept a political solution which would bring an end to the suffering of the Afghan people and allow the return to their homeland of over 3 million refugees who have been forced into exile. This solution must be based on the withdrawal of Soviet Forces and respect for the independence and sovereignty of Afghanistan which would thereby be enabled to exercise its right of self-determination and to return to a position of genuine non-alignment.

5. In unrelenting pursuit of its military build-up, which has long passed the level required for defence, the Soviet Union is increasing its superiority in conventional arms and expanding its naval power. It is simultaneously strengthening its nuclear capability, particularly through the deployment of intermediate-range missiles. As stated in their Bonn Declaration, the Allies are left no choice but to maintain an effective military deterrent adequate to meet their

legitimate security concerns in a changing situation. It therefore remains essential for the Allies to preserve the security of the North Atlantic area by means of conventional and nuclear forces adequate to deter aggression and intimidation. To that end they agree to continue their efforts towards greater co-operation in armaments and, in particular, to take full advantage of emerging technologies and to continue action in the appropriate fora restricting Warsaw Pact access to Western militarily-relevant technologies.

The presence of North American forces on the European Continent and the United States strategic nuclear commitment to Europe are essential to Allied security. Equally important are the maintenance and continued improvement of the defence capabilities of the European members of the Alliance.

6. Arms control and disarmament together with deterrence and defence are integral parts of Alliance security policy and important means of promoting international stability and peace.

Firmly committed to progress over arms control and disarmament, the Allies have initiated a comprehensive series of proposals for militarily significant, equitable and verifiable agreements, which are designed to lead to a balance of forces at lowest possible levels. They seek from the Soviet Union a constructive and serious approach in current negotiations.

7. In the Strategic Arms Reductions Talks (START), the Allies fully support the efforts of the United States to negotiate with the Soviet Union significant reductions in United States and Soviet strategic forces emphasizing the most destabilizing systems in the first phase of the negotiations. The Allies urge the Soviet Union to contribute in a concrete way to speedy progress in these important negotiations.

8. The Allies underline the importance of both parts of the decision of 12th December 1979 which provided for a limited modernization of United States intermediate-range nuclear forces (INF) combined with a parallel offer of negotiations on United States and Soviet weapons of this kind. This decision, which was prompted, in particular, by the deployment of SS-20 missiles, led to the current INF talks in Geneva within the framework of negotiations on strategic arms reductions.

The Allies fully support the United States efforts to enhance security through the total elimination of all existing and planned Soviet and United States longer-range land-based INF missiles. The United States proposal was developed in close consultation within the Alliance among the member countries concerned. The Ministers of these countries welcomed the continuing United States commitment to serious negotiations, and to consider carefully with these Allies any serious Soviet proposal.

Ministers reiterated that, in the absence of concrete results, INF deployments would begin according to schedule at the end of 1983.⁶

9. The Allies welcomed the recent proposals by President Reagan for new confidence-building measures in the nuclear field between the United States and the Soviet Union intended to enhance stability.

10. The Allies participating in the mutual and balanced force reduction (MBFR) talks in Vienna are confident that the comprehensive approach embodied in the draft treaty text presented by Western negotiators has given new momentum to the negotiations. This Western initiative is aimed at achieving real progress towards substantial reductions of ground forces, leading to parity in combined ground and air force manpower at equal collective levels in Central Europe. Western participants in the negotiations call upon the East to respond adequately to the need for prior agreement on data for current Warsaw Pact force levels and to agree to effective associated measures for verification and confidence-building.

11. The Allies also attach great importance to efforts in the United Nations to secure improved verification procedures, wider availability of information on defence spending and other measures likely to enhance transparency and thus build confidence.

12. The Allies are gravely concerned about strong evidence of continued use of chemical weapons in South-East Asia and Afghanistan in violation of international law, including Soviet involvement in the use of such weapons.⁷

They stress the need for progress in the Committee on Disarmament towards a convention on the prohibition of development, production and stockpiling of chemical weapons and on their destruction, with appropriate provisions for verification including on-site inspection.

13. At the Madrid CSCE [Conference on Security and Cooperation in Europe] follow-up meeting the Allies have deplored infringement of the principles and provisions of the Final Act. They noted in this respect that the situation in Poland remained a source of concern. The Allies are continuing their efforts to arrive at a substantial and balanced concluding document and they regard the draft submitted by the neutral and non-aligned states in December 1981 as a good basis for negotiations. They have introduced a number of amendments to bring it up-to-date with realities in Europe and to call for progress on human rights, free trade unions and freer movement of people, ideas and information. To facilitate a positive outcome in Madrid, the Allies urge the Soviet Union and other Warsaw Pact states to abide by the principles and provisions of the Final Act.

As part of a substantial and balanced concluding document, the Allies reaffirm their support for a Conference on Confidence and Security Building Measures and Disarmament in Europe on the basis of a precise mandate to negotiate in a first phase militarily significant, politically binding and verifiable confidence and security building measures applicable to the whole of Europe, from the Atlantic to the Urals.

They will also strive to achieve significant progress in the important humanitarian aspects of East-West relations.

14. Economic recovery in the West is essential both for Allied defence efforts and for social stability and progress. The Allies reaffirmed the need for effective co-operation bilaterally and in the appropriate fora towards this end, including programmes in keeping with Article 2 of the North Atlantic Treaty which are intended to benefit the economies of the less favoured partners.

15. The Allies recognize that mutually advantageous trade with the East on commercially sound terms contribute to constructive East-West relations. At the same time, they agree that bilateral economic and trade relations with the Soviet Union and Eastern Europe must also be consistent with their broad security concerns which include the avoidance of contributing to Soviet military strength. Studies are underway or will soon be undertaken on several aspects of East-West economic relations and Ministers will consider these issues again, on the basis of these studies, at their next meeting.⁸

16. The strict observance and full implementation of the Quadripartite Agreement of 3rd September 1971 and the maintenance of an undisturbed situation in and around Berlin remain essential elements in East-West relations. The Allies welcome the efforts of the Federal Republic of Germany to strengthen the economy of the city in particular by ensuring long-term employment prospects.

Recalling their Rome statement of 5th May 1981, the Allies express the hope that the continuation of the dialogue between the Federal Republic of Germany and the German Democratic Republic will contribute to the strengthening of peace in Europe and will bring direct benefits for Berlin and the German people in both states.

17. Peaceful progress world-wide is a goal to which the Allies remain committed. They consider that genuine non-alignment—an important element of international peace and stability—contributes to this goal, as does the aid which the Allies give bilaterally and multilaterally to the development of Third World countries. They reaffirm their readiness to co-operate with Third World countries on a basis of equal partnership. The Allies call upon all states to make an effective contribution to the struggle against under-development and to refrain from exploiting those nations' economic and social problems for political gain.

The Allies recognize that certain events outside the treaty area may affect their common interests as members of the Alliance. Allied consultation on such events will be based on the recognition of those common interests. Those Allies in a position to do so may respond to requests by sovereign nations whose security and independence are threatened. It is in the interest of the Alliance as a whole to ensure that sufficient capability remains in the treaty area to maintain deterrence and defence.

18. The Allies again strongly condemn the crime of terrorism, which is a menace to democratic institutions and the conduct of normal international relations. They appeal to all governments to examine the possibilities of increased co-operative efforts to stamp out this scourge.

19. The Alliance's efficiency in pursuing its policies depends upon continued cohesion and solidarity taking into account the natural diversity of its sovereign member states. Recognizing in this connection the value of their informal meeting in Canada, Ministers agreed that similar meetings could usefully be held in the future.

20. The spring 1983 meeting of the North Atlantic Council in Ministerial session will be held in Paris on 9th-10th June.

NOTE: The Minister for Foreign Affairs of Spain has informed the Council of the Spanish Government's purpose regarding the Alliance and reserved his Government's position on the present communique.

NEWS CONFERENCE, BRUSSELS, DEC. 10, 1982⁹

During these last 2 days of meetings, I have felt very much as though I am among allies, that I am part of an alliance that is strong, that is determined, that stands for peace, that has contributed to peace, and intends to continue to do so. It's been a very warm and supportive and reassuring meeting in every way. The communique speaks really for the meeting very well, and I can't do better than to read a few items from it.

On East-West relations, the communique says: "... firm, realistic and constructive attitude towards the Soviet Union on the basis of mutual acceptance of the principles of restraint and responsibility. . . ." On defense, the communique says in view of the continued Soviet military buildup "... the Allies are left no choice but to maintain an effective military deterrent adequate to meet their legitimate security concerns in a changing situation. It therefore remains essential for the Allies to preserve the security of the North Atlantic area by means of conventional and nuclear forces adequate to deter aggression and intimidation." On arms control, the communique says: "The Allies underline the importance of both parts of the decision of 12th December 1979. . . . The Allies fully support the United States efforts to enhance security through the total elimination of all existing and planned Soviet and United States longer-range land-based INF missiles"—in other words the zero-zero option. "Ministers

reiterated that, in the absence of concrete results, INF deployments would begin according to schedule at the end of 1983." On chemical weapons: "The Allies are gravely concerned about strong evidence of continued use of chemical weapons in South-East Asia and Afghanistan in violation of international law, including Soviet involvement in the use of such weapons." These are pieces here and there from the communique. It's a lengthy document and well worth your reading as soon as it's available to you.

Q. Did the MX decision cast any shadow over the proceedings here?

A. Not particularly. There were questions about it, and I reported on the parliamentary situation in the United States and on the President's determination to move ahead. As a matter of fact, in the appropriations process, some \$2.5 billion was appropriated for the continued work on the MX missile.

Q. Could I ask you whether you have any comment to make on this morning's report that the U.S. Administration is considering moving its military command center from Stuttgart to Britain over the coming years?

A. There is no truth to that. The command center remains where it is today. As I understand it, if there should be a war, command would shift to the NATO command centers, and what administrative rearrangements there might be in such a contingency would have to be worked out. But as far as command center presence and so forth is concerned, it remains as is.

Q. You discussed the Middle East. Can you give us a short account about the situation now there? And the prospects of a breakthrough on the basis of President Reagan's proposals of the first of September, and if there is any change of heart on your part regarding the [inaudible]?

A. There is no change of heart regarding that hope. And there is no let-up in activity. And, of course, we continue to work hard with patience and continuity. In a sense, there are, you might say, three parts to that part of the Middle East equation. I'm leaving out the Iran and Iraq part of the picture.

There is, first of all, what we refer to as the Mideast basic peace process involving the Palestinian issues and so on. We continue to work hard on that. We expect King Hussein to visit the President in Washington on the 21st of

December. We consider that to be an important meeting. It continues to be our desire to create a situation where the right people will come to the bargaining table and start, of course, first of all on the interim arrangements and then on when final status arrangements have been determined. It's obviously going to be a long process, but it's one in which we want to see things move and continue to work on it.

As far as Lebanon is concerned, a second part of this—Philip Habib and Maury Draper have been back in Washington [Ambassador Habib, special representative of the President to the Middle East; Ambassador Draper, special negotiator for Lebanon]. They had a lengthy meeting with the President yesterday, and I understand that Phil and Maury will be going back out shortly with additional ideas. I think it's more appropriate for those ideas to come from them and from Washington.

In addition, of course, there is the very important matter of relationships between Israel and Egypt which have been at the heart of the Camp David process, and we continue to try to be as helpful as we can in the maintenance and development of that fundamental relationship. So basically, in answer to your question, there is a strong continuity of effort and interest in bringing about a peaceful situation throughout the Middle East.

Q. In the discussions of how the alliance would approach or consider dealing with the new Soviet government, were there suggestions as to how this could be done? Or whether or not—was there interest on the part of the Europeans in a summit meeting with Mr. Reagan and Mr. Andropov at some future time?

A. I think the discussion was very realistic and thoughtful. Of course, we are all interested in seeing the development of more constructive relationships based on a different pattern of behavior. In this, our position as an alliance is about the same as we have stated in the United States. We have to be realistic about what is taking place. We have to maintain our strength, as the communique brings out very clearly. We are ready for a dialogue but whether or not something emerges remains to be seen.

Q. Have you discussed any other options beside zero-zero option? For example, what you were talking about with the Social Democratic leaders in Bonn.

A. I didn't have any discussion of other options in the meeting. There was strong support, as the communique says, for the zero-zero option, for the elimination of this whole category of weapons from European soil. So that is our position, that is where our emphasis is, and that's what we talked about.

Q. In recent days you have explained to reporters and to your NATO colleagues that MX vote in the House. The Danish delegate here has explained the vote in his legislature, and in Norway by just one vote they avoided the same kind of vote as the vote in Denmark. What I am wondering is doesn't all of that taken together somewhat, from the Soviet point of view, detract from the unity that you're trying to show here?

A. Not at all. I think that if that interpretation is placed on those votes, it's a great mistake. The whole spirit of this meeting has been one of unity and determination and a recognition of what the realities are. And I am sure that those realities are recognized in all the countries represented in this alliance.

Q. Have you worked out the arrangements now for carrying out the various studies called for in the agreement on policy toward the Soviet Union in the economic field, and what are they?

A. The communique says: "... economic and trade relations with the Soviet Union and Eastern Europe must be consistent with [the Allies] broad security concerns which include the avoidance of contributing to Soviet military strength." I expect to see the following activities take place. And this, I think, everybody subscribes to.

First of all, we have strong activity going on now in COCOM.

Second, on high technology of military significance, but perhaps of somewhat less direct significance, including oil and gas technology, we will ask our COCOM people to examine that area and give us advice on what should be included.

Third, on the matter of credits, there is an existing activity in the OECD, which has been going on, and we will seek to give that an additional political impulse to examine the relationship of credit to the basic objective which I mentioned. In terms of energy alternatives and the examination of them, that I expect we will try to get going in the OECD by mutual agreement, and no doubt they will benefit in the OECD from the IAE's [International

Energy Agency] material. I suppose I shouldn't be telling you this, I should be telling the OECD. Maybe they will turn their constituent governments down in doing these things. But I doubt it. But at any rate, the energy alternatives study will take place in that setting.

Q. What will be the NATO role, if any, in this review?

A. I'm trying to think. Just talking off the top of my head here, I may have omitted something. I have a feeling I did.

Q. Is there an overall East-West strategic study?

A. We have to think about how to pull these different elements together, and we haven't figured out the answer to how to do that as yet.

Q. Will there be a NATO role in this review?

A. The NATO role—let me just read you from the communique, because there is a definite interest in the subject. This is, of course, a subject that the NATO ministers discussed in La Sapiniere and so they are quite interested in following up. I read you part of it, I'll read a little bit more: "The Allies recognize that mutually advantageous trade with the East on commercially sound terms contributes to constructive East-West relations. At the same time, they agree that bilateral economic and trade relations with the Soviet Union and Eastern Europe must also be consistent with their broad security concerns which include the avoidance of contributing to Soviet military strength. Studies are underway or will soon be undertaken on several aspects of East-West economic relations and Ministers will consider these issues again, on the basis of these studies, at their next meeting." In other words, we expect to see some push in getting these studies completed, and we'll be looking for a report on their progress when we meet the next time.

Q. Do you have any fear or did you detect any concern in your talks here with the other ministers about the possibility that the strains that exist between the United States and the European Community in the trading, in the agricultural field at the present time may spill over into the security area and affect the unity of NATO?

A. There are always problems in relations between partners, and I think the important thing to recognize is that, despite a fair number of such problems, they have not spilled over.

This meeting was a strong meeting and a determined meeting—a meeting of unity and strength. Now we've had a number of issues that people have said would do what you just mentioned. But we have managed to compose our differences about steel. We managed to compose our differences about East-West economic relationships, and that has dealt with the pipeline and not connected negotiations. But at any rate, that aspect of the matter is not in the picture.

The differences of view between the Europeans, the United States, and, for that matter, other countries about production and trade and agriculture have been around for a long time, and they are around today. I plan to spend time with some of my Cabinet colleagues and the leaders of the EC 10 later on today and no doubt the subject of agricultural trade will come up. But it's a problem. We'll work at it. And if it can't be resolved in its own terms, it will not spill over and undermine our alliance, I'm sure.

Q. You are shortly going to Madrid where the new Socialist government is engaged in a broad reassessment of its partnership with NATO. And I suppose you are bringing some ideas and some suggestions both in this context and also concerning their assessment of the Spanish-American treaty. Could you tell us what are you going to suggest in this and other fields?

A. The Spanish Government is a new government, of course, and so I don't think it's appropriate to press on them a whole lot of particulars. It's a meeting in which I hope to get acquainted and to discuss matters of some mutual interest.

As far as Spain's membership in NATO is concerned, of course, that's a decision for the Spanish to make, but I certainly hope that they decide positively to remain in NATO. I think they have a constructive contribution to make, and it will be helpful to Spain as well as the alliance members.

Q. In your discussion with the other ministers, did the subject of the domestic problems that the Europeans might have in deploying missiles next year come up and how do you assess those problems?

A. Of course, everyone is acutely conscious of the importance of deployment and of the reality of that; and the relationship of that, no doubt, to the atmosphere of negotiations in Geneva. At

the same time, the reality of good conduct of those negotiations in Geneva has an important bearing on people's attitudes about deployment. It's an inter-related proposition, as it says in the communique. We had a number of instances of people in the face of questions of one kind or another standing up and facing up to them, and it turns out that in the end, you win, when you explain and show what deployment is about, why it's important to the security of Europe and the United States and, for that matter, why it's important to the negotiations that it proceed.

Of course, there is a constant problem of informing public opinion and of persuading people that the course we're on is the right course. I think there is one dramatic piece of evidence that needs to be kept in our minds all the time and that is that NATO, on the facts, has been an alliance for peace. There has been no war in Europe during the period of NATO's existence, and I am sure that the existence of the alliance and its strength has a major responsibility for that fact.

Q. You said earlier there were no plans to move the command center from Stuttgart to Britain, but I wonder if there are plans for building an additional command center in Britain to provide extra redundancy in that system?

A. No, I don't think so. I think there's a misunderstanding here, and I don't want to comment on it in too much detail. But as I understand it, you're talking about certain elements of administration. Command is where it is now, and if there should be a war—God forbid—command would go directly to the NATO command structure.

JOINT NEWS CONFERENCE, BRUSSELS, DEC. 10, 1982¹⁰

EC President Thorn. Let me first tell you that we had the pleasure, my colleagues from the Commission and myself, to welcome this afternoon Secretary of State Shultz, his colleagues from the American Administration—[Treasury Secretary] Mr. Donald Regan, [Agriculture Secretary] Mr. John Block, [Commerce Secretary] Mr. Malcolm Baldrige, and [U.S. Trade Representative] Mr. Bill Brock. We had a real exchange of views covering, I believe, all topical issues.

We thought that the timing of this meeting and discussion of these problems was particularly appropriate. First, because we find ourselves in a very delicate political and economic situation—the most difficult economic situation we've known since the end of the war—and particularly because, in this context, the United States and the Community, which account for approximately one-third of world trade, have specific responsibilities and particular interests in coordinating their goals.

I will tell you that the exchanges were frank and straightforward, but they were so mainly because we did not talk about the past and difficulties that we may have encountered. But right away we turned to the problems at hand, and we tried to define some strategies and to seek a few points where it is in our interest to cooperate together in the future, and even in the very near future. It is of no interest to anyone; nor does it benefit anyone, to talk about the past; but it is absolutely imperative that we take action and that action replace words; that we emphasize our common interests and that we try to face them. It is in this spirit that we have tackled the following topics which I will only mention, allowing Mr. Shultz to add the introductory remarks that he wishes.

We have discussed trade matters, i.e., essentially the GATT and what is known as its follow-up. Then, of course, we discussed agricultural problems; we discussed East-West relations, and then talked about the economic and financial situation such as we assess it on both sides of the Atlantic. These are the four main topics that have been brought up until now, excluding what might be discussed tonight during dinner.

Secretary Shultz. I think that is a good statement of the general scope of our discussion.

Q. I address my question to the Agricultural Secretary, Mr. Block. I'll skip the diplomatic niceties and ask roughly, if I may, whether the two sides were able to work out a compromise on the agriculture issues, or will there be an agricultural trade war?

Secretary Block. First of all, there will not be an agricultural trade war. I don't think we should talk about trade wars. We need to solve problems. My appraisal of the outcome is that there have been some concrete actions agreed to; there is a joint appreciation that the internal farm program policies can have an impact on international trade and

they can have occasionally a destructive impact on international trade. The European Community appreciates the need to harmonize internal prices and the world peace. It was agreed—and this is more important—that we sit down and, in specific terms, review what can be done to solve our trade frictions, what can be done within the maneuvering room that the Community has. And we're going to do that with a timeframe with the first meetings early in January, continuing if necessary with a report back and review sometime in March. And I think I said that correctly.

Q. Can Mr. Regan illustrate his views on the reform of the international monetary system?

Secretary Regan: I discussed just briefly at the meeting some of the thoughts that I have that there is a need for a better structure in the international monetary system to handle many of these problems that crop up very quickly, that are very serious and need many different organizations for their solution. I offered no specific antidotes for these problems. I would say that what I am trying to do more than anything else is to encourage discussion of these items because I don't think there is anyone who has the best solution or the only solution. I think there can be many solutions, but the more we discuss them within various types of organizations, I think, the quicker the chance will be that we can solve some of these problems rather than going in for ad hoc solutions.

Q. Mr. Block has referred to the Europeans accepting at least in part that their internal farm policies can have a disruptive effect on world trade. In which areas of internal EEC farm policy is the disruptive effect on world trade evident in your view? What are the concrete actions agreed to and referred to by Secretary Block? And if I could ask a brief question to Secretary Regan, are you more worried now than you were 6 months ago about the danger of a world banking crisis?

Secretary Regan. I'm less worried at this moment than I was 6 months ago. You will recall that in this period of time we have successfully handled several countries that are large debtors by renegotiating their loans, by temporarily bridging loans, government-to-government, or through the Bank for International Settlements, and as a result these nations are now on International Monetary Fund programs. The more

that happens and the more successful we are, the less dangers there are and the less threats there are to the international banking system.

President Thorn. As for the question addressed to me, and for which I am thankful to him inasmuch as it will perhaps give me the chance to detail our views on that matter.

What I think was said and what I would like to confirm as far as I am concerned is that we thought we should definitely avoid upheavals in the world market in regard to agriculture and that we both said that we definitely wanted to take steps to avoid that, each of us in the context of his own policy. To that purpose, we said that we should keep in mind, as much on the American side as on the European side, that when faced with decisions in agricultural matters, we must prevent decisions from having these negative effects which we would like to avoid—also and notably as regards certain subsidies which could be granted and how far one could go, all the while respecting the policies of both partners. We, therefore, said that we would have the most extensive exchanges of views possible with our collaborators, as of January, on actions that we might be led to take when making the inventory of specific issues.

This is not a reevaluation of our policy but rather a matter of seeing what concrete examples of problems there are in Europe and the United States, and then let us attack them immediately as of January. We will see in March, as my American colleague said, how advanced these studies will be; to what level, or if we have achieved some results. We also have examined some examples from the American side; our interlocutors have explained, for example, the measures that the President of the United States proposed last night—on the American side—to deal with that problem.

On our side, we have brought up, for instance, the measures that we have taken regarding products such as sugar, as well as those to reduce surpluses; and it is this analysis that we intend to pursue as soon as possible, which is to say after the holiday season.

Q. Mr. Block, you just talked about respecting the space of maneuver of the European Community. Does it mean that the United States has not [inaudible] the common agricultural policy as it is, meaning, for instance, subsidies for exports, and secondly, when you say there will

not be a trade war on agriculture, mean that you are not going to dump any food in a short time on the world market?

Secretary Block. In response to the first question, we do not and have not quarreled with the common agricultural policy. Our quarrel has been with the spillover of that policy into the international markets, and it is our contention that it has created problems for us and other trading countries. The effort that the European Community intends to make, and we intend to review with them how they can accomplish it, is to bring their internal prices, or see internal prices and world prices more in harmony, or when they come close together or together, once this happens, it is a fact that export subsidies—but this would cause it to happen, and I think it is an appropriate approach. And the question of my statement that there would be no trade war—and I don't expect a trade war, trade wars would be bad for everyone concerned, that is a fact. It is also a fact that we did not give up. We did not agree that we would necessarily withhold any actions to compete on a favorable basis with the European Community in the export market.

Q. I would like to know if you have any commitments regarding agriculture and an eventual modification of the policy followed until now. Can we speak of a commitment, and, if so which one? And then a question to Mr. Block. It seems totally illusory to imagine that European prices could match world prices. In which case, what conclusion do you draw?

President Thorn. Regarding the first part, I thought I had answered it by saying, twice, that naturally the cap was not negotiable. I believe you all heard that against and over the cap, but that we were both anxious to respect each other's policy, but that it's time to establish a list of concrete problems as quickly as possible and then to discuss them together at the beginning of next year. No negotiation commitment, and no commitment to a result, has been taken at this stage and cannot be taken since we are only now initiating discussions.

Secretary Block. In answer to your question, you suggest that, in view of the circumstances, it's illusory to expect the common agricultural prices to harmonize with the world prices. I don't accept that necessarily. I don't think that the European Community accepts that, and that is what we are going to sit

down and look to when we have our meetings in January to see how that can come about.

Q. This is to both Mr. Block and Mr. Dalsager [Paul Dalsager (Denmark), EC Commissioner for Agriculture]. Was there any discussion here or has there been any discussion about cooperation in world agricultural marketing of major commodities to help you get over short-term surpluses?

Secretary Block. We didn't talk in specific terms about cooperation. I guess I don't know what you mean specifically by cooperation in marketing these commodities. Yet we did talk about looking at the impact of the markets, of the exports, of the problems we both face. So certainly in that respect, we're looking at cooperation. I'm a little concerned when you say cooperation. If you're talking about market sharing, and we really are not going to go out and divide up the markets if that's what you're suggesting, but we are going to cooperate together to find solutions to some of the problems that we have the best we can anyway.

Mr. Dalsager. Yes, but the answer has already been given in detail on what we do with different products in detail and it has been overall discussion where we have decided to go into a further discussion after the new year to start to take up all the problems.

Q. Mr. Shultz, you were Treasury Secretary when the Bretton Woods system finally was pulled apart. Now it sounds to me as though the new Administration is—I don't say looking for a new Bretton Woods but at any rate—changing very dramatically its view about the need for international cooperation and linkage of monetary, trade, and financial banking measures. The question for you is whether your experience in those 10 years has affected your view on how to go about these things and whether you support this approach now? And the question for Mr. Regan is what has led to this change in the Administration's approach?

Secretary Shultz. As for me, I try to learn as I go along, but yet I don't abandon my old ideas. I'll let Secretary Regan handle where the outlook is.

Secretary Regan. The opinions that I expressed earlier this week are my own. This is not necessarily an Administration position. I have not changed my opinion that there is a need for handling

problems in the international community. What I am suggesting is that our experience of the last few months certainly has led us to a realization, by those of us who have had to deal with these on a daily and sometimes hourly basis, has led us to the conclusion that there might be a better way to handle this. Each case as it has come up now has been handled in a different fashion. I am suggesting that not only those of us who have been engaged in this type of endeavor but also those who have been observing us do it might have suggestions as to a better way to handle this.

Now I am not suggesting that we should have some type of international rescue agency, because I think that banks have a right to be the victims of their own folly if, indeed, they have been foolish. And on the other hand, I think that every nation that has been profligate should not be rescued by the international community. But I think that when there are emergencies that there should be some type of apparatus to deal with that emergency in a better fashion than we're currently doing it.

Q. You did mention in your briefing or your informal meeting earlier this week the possibility of some kind of international federal reserve system. How do you see that possibility, and how does this fit into the picture of your plans?

Secretary Regan. I would like to correct an impression you have. I did not call for an international federal reserve; I asked a rhetorical question: What is the bank of last resort behind the Eurodollar mechanism? Here is a market with many hundreds of billions of dollars in it if not a trillion dollars, yet as far as I know there is no bank of last resort. I asked that as a rhetorical question without any answer, nor did I suggest that there be a federal reserve for that at the same time. What I was suggesting was that in the international markets, change is coming about and coming about very quickly. Domestically in the United States, we're finding new fashions in finance almost every day. This is coming into the international markets also, and as things change in the financial markets and in the monetary system, I'm suggesting there is also a need for institutions to modernize and to stay up with these changes.

Q. I understood you to say that you do not want to have a trade war, but I don't understand what you said about dumping butter. Is that something you are still considering, or have you decided not to do that now?

Secretary Block. We did not agree at this meeting today to withhold actions on the part of the United States or to take actions. We didn't specify what we would do. We leave that open. There's no decision on that at this time.

Q. President Thorn has brought up the reciprocal efforts to try to dissipate the agricultural difficulties between the United States and the Community. But I have only heard Mr. Block speak of the efforts that were contemplated on the European side to bring domestic prices closer in line with world prices. I would like to know what efforts the Americans themselves are contemplating to reduce these differences. Would there be an end to blank credits, the lifting of sugar import quotas, a self-limitation on corn gluten feed, etc.?

Secretary Block. I think it's important that countries around the world be responsible at a time when we have large volumes of crops. The United States today has one-half of the world's supply of grains. The major effort was just announced yesterday by the President, and what he announced was that we will be going forward with a payment-in-kind program where we will make grain available to farmers if they will cut their production. We will take grain out of government stocks, give it to farmers if they will cut their production of that grain. This will reduce the stocks in the United States and yet keep plenty available for export to countries that are needing the grain.

Furthermore, we are taking the steps to work with Congress to freeze our target prices later on, because high supports encourage excessive production. They distort the demand of the country.

Secondly, in the area of dairy, in 2 years we have frozen prices, and, indeed, this year we have cut the price of dairy—to the dairymen—by one dollar per hundredweight, which is about an 8% cut. That's a cut, an absolute cut in money to the farmer. Furthermore, we have instituted policies this year to expand our storage. Of course, I have explained all the storage of grain we have. We have enormous stocks of grain, and we have lots of storage, and the government has helped to store it. We have tremendous stocks of dairy products.

These are the efforts we are making to try and cope with the situation that we all face in agriculture. These are large stocks overhanging the markets. And in the United States, certainly

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anyway, where the price fluctuates with the world market, it's a serious problem for us because prices are very low.

Q. What were the talks about East-West trade about? What agreements or at least consensus has been reached here? Was it only about procedural questions or was it also about details for the forthcoming negotiation in international bodies?

Secretary Baldrige. We discussed the initiatives that have already been started, and some of the cases on the agreements reached in November on East-West trade—credit and financial arrangements—some of that work has already been done in the OECD, alternate energy sources. There'll be studies on that; how we integrate overall economic policy between the West and the East. The EC has participated where it has been appropriate in the past. They have told us they will participate where it's appropriate in the future. For example, in COCOM, that's not an EC kind of initiative. We're doing that through other sources: the tightening of COCOM at the top, the more technical and sophisticated potential exports, and the loosening at the bottom of the kind of exports that aren't really that strategically important.

Q. Regarding the alliance, I gather this afternoon you mentioned that one of your hopes was that the dispute in agriculture would not spill over and undermine the alliance. I wonder if you could expand a bit on the dimension and the importance of this agreement that we seem to be moving toward in agriculture as it affects the alliance on one hand and how it relates to the East-West issue, or issues. Are they likely to emerge as contentious an issue and, if so, how do you plan to deal with that in the coming weeks in the transatlantic relationship?

Secretary Shultz. I don't see that these issues affect the alliance. The alliance is strong, and it has its own bases. The discussions we've had here and elsewhere on East-West trade seem to be moving in a positive direction. And you've heard the report of the discussions we had this afternoon in the field of agriculture, which have not solved the problems, but they've set us on the road to trying to do so. So I think the thing adds up to a great big plus.

Q. A lot of the issues you've been discussing here today relate in some way or other to the problems of monetary instability and high interest

rates. The view on this side of the Atlantic is that you and the President have been very slow to wake up to your international responsibilities through tolerating an excessive budget deficit and perhaps a rather dubious monetary and fiscal mix. Have you any reassuring words to offer today about your efforts to reduce the budget deficit, and, in particular, have you anything reassuring to say about the future of American interest rates?

Secretary Regan. I deny that either one of us has been asleep. As far as the international situation is concerned, you will recall at the time of Ottawa, at Versailles, and again at Cancun, we were asked by the summit participants to do various things. I think we carried that out pretty well. We were asked to get inflation down in the United States. That was the number one problem that we had to address as an Administration. Inflation was causing all kinds of international problems for our trading partners, for our allies, and the like. I submit that we have done rather well with inflation. It was 12½% when we came in. This year it looks like it's going to run somewhere in the neighborhood of just below 5%.

We were asked later to get our interest rates down, that high interest rates were the cause of the problem worldwide. When we took over, interest rates—prime rate at least—in the United States were running somewhere in the neighborhood of 21½%. Currently, it's at 11½% and, hopefully, on its way down further. So I think that we've done rather well there.

The next complaint was that we had too strong a dollar. First of all it was a weak dollar in 1980. That was causing problems. We strengthened the dollar. And now the complaint is that the dollar is too strong, and would we mind weakening the dollar. I submit that over the past couple of months, the dollar has been weaker and perhaps will get even weaker as time goes on.

I think that we have been living up to our international responsibilities rather well when you look at the record. As far as whether or not we—I don't like to use the word "locomotive"—but at least can we be the leader in getting the nations of the world back on the recovery path from the current recession that all of us are wallowing in, I would say that we should have—and this I told to the participants this afternoon—a good year next year with real

growth in the United States of somewhere from 3% to 4% and that we were hopeful that 1984 would be an even better year. If that proves to be the correct scenario, then we think that our trading partners will benefit from the recovery in the United States.

**NEWS CONFERENCE,
AMSTERDAM,
DEC. 11, 1982¹¹**

First, I had the great privilege of a meeting with the Queen. I came away with the knowledge that she is not only charming but also very knowledgeable and interesting; at once regal and very human. So it was a great privilege for me and I appreciate it.

Second, I had the chance to meet the Prime Minister, the Foreign Minister, Defense Minister, and others in the government. We had an intensive and wide range of topics that we discussed from East-West economic relations, NATO affairs, INF deployments, Central American questions, Middle East, and others. It was quite a wide ranging discussion. It was interesting and useful for me to hear the viewpoints that were presented. I hope that just as they made a dent on me, perhaps I made a dent on them. But anyway it was a very worthwhile visit.

Q. Can you tell us if you received any assurances from the Dutch officials you met with as to the eventual deployment of medium-range nuclear missiles here in the Netherlands if the Geneva talks are not successful?

A. Of course, in the NATO communiqué that was issued yesterday, the statement was made that all of the NATO partners agree if there is no agreement at Geneva there will be the deployments. The Dutch, as well as others, made that statement, and the same comment was volunteered today.

Q. So there has never been any definite admission that the deployment would take place here in the Netherlands? It has been a very divisive issue here. Was there any commitment as to deployment here within this country?

A. I understand that the preparations for deployment go forward, but you should ask the Dutch authorities about that. The NATO statement with the participation of the Dutch in it, and the complete agreement of everybody, is a matter of common sense understanding. If you need to deploy these weapons

for the sake of common defense in the first place, and in the second place if you do not deploy them and don't show that you are truly willing to do so, then there is no negotiation in Geneva possible. That's just a matter of common sense.

Q. I understand you have had a short pleasant visit. Were there any points where you had different points of view—you and the Dutch people you talked with?

A. Not really. We didn't have any major arguments. I suppose if there is any difference of view it may be about some aspects of Central America. At the same time, I don't know, had I stayed here for another 3 days and we really dug in and looked at all the facts, that we would wind up with a difference of viewpoint. I think we all support democratic principles.

We all support the importance of human values. We all support the importance of economic development and the betterment of people's lives. In Central America, we perhaps are a little bit closer to it, and we do see the threat involved to democratic values, to human rights, from armaments coming basically from the Soviet Union through Cuba and Nicaragua to guerrillas in democratic countries. I think that from whatever direction you take it, whether it is the impact on investment, whether it is a human rights proposition, whether it is a problem. I would say that when you talk about human rights, guerrilla activity that tries to prevent people from voting, as in El Salvador, is a deep deprivation of human rights. I think that kind of activity, as well as others, should be recognized. I think we all recognize that there are very few places in the world that you can hold up and say, this is perfect. The question is whether it is getting better. We think that there are examples of things getting better, although there are problems without a doubt.

Q. Did the Dutch Minister share your view that Nicaragua is used as a transit country for weapons to the guerrillas in El Salvador?

A. We talked about it. I think that it is not correct for me to come here and start telling you what the Dutch Foreign Minister thinks. You have him here. He'll tell you what he thinks. I can only tell you what I think.

Q. Could I please finish just one question because of technical problems? There might have been a slight

difference in your meaning and ours on nuclear weapons—is that right—to put it mildly?

A. No, I don't think so. Who wants nuclear weapons? The question is when you have an adversary that has them and has them installed and has them pointing at you, in our own self-defense you better take note of that. We think, first of all, be realistic about the world that you are in. Second of all, be strong enough to defend yourself. Third, of course, be willing to talk and negotiate and discuss and agree to things if the other party is willing to do so. That is the stance we have in Geneva.

Q. If we go down a little further south from Central America, did you discuss the developments in Suriname?

A. Only a little bit. I think it is an emerging situation but clearly it's a horror. We will find out more about it, but it is clear that there is a terrible act down here.

Q. Your Administration has a representation there. Do they have any indication that there are foreign activities also in Suriname?

A. I don't want to comment in any detail. You probably know more about it than I do. I am told that there is a very large population here who is from Suriname and that there is hardly a family in Suriname who doesn't have a member of their family resident here. So you are very close to that situation here. At any rate, this is a breaking story, and I am horrified by what has happened. I do not want to make a lot of loose statements about it before I really have had a chance to dig into it.

Q. Talking about the Middle East, would you describe the present situation as a deadlock as far as the American performance is concerned?

A. No, I wouldn't describe it that way. It certainly has not moved as rapidly as we would like to see it and I think most people would like to see it. But there has been a lot of motion and activity on the Mideast peace process since the President's speech. We are looking forward to King Hussein's visit in Washington as an event of great importance and at the same time in Lebanon where we are having a hard time getting people talking about the withdrawal of foreign forces. We do have some additional thoughts. Phil Habib and Morris Draper met with the President and Ken Dam, the Acting Secretary, yesterday, I think, in Washington at some length. They will be returning to the Middle East and

perhaps we will have some thoughts that can move the situation along.

So there is not as much settled as we would like, but there is motion. We continue to work on it. These problems have been around a while, and we recognize that to get anywhere, we have to be willing to keep working at it and to have patience—to have a kind of patient impatience, I suppose, is the way to put it, if we are going to succeed, and we do.

Q. You didn't talk about the position of the PLO.

A. No I didn't. As far as the PLO is concerned, as far as I know, they still have in their constitution that they want to extinguish Israel. We are willing to talk with them if they will stand up and say they recognize the right of Israel to exist and that Resolution 242 and 338 are a basis for peace in the Middle East. The United States will talk to them under those circumstances. I'm not speaking for Israel.

As far as the peace process is concerned, clearly for King Hussein to negotiate successfully, there must be Palestinian representation in the negotiation. That is recognized in the Camp David accords and it is explicit in the Camp David accords. So there will have to be some Palestinian representation found, and it remains to be seen where that will come from.

Q. About the American headquarters in Europe, can you give us some background about the decision of the U.S. Pentagon about the replacement of the headquarters from Germany to Great Britain?

A. That is not correct. The command of the U.S. Forces in Germany remains there. If in the unlikely and unwanted event that there should be a war, then the command of those forces would, according to the plan, be residing in NATO. As I understand what is taking place, there is a contingent administrative and planning office being established that would be activated in the event of war. The command of the troops remains where it is. If there were wartime-type activities, the command of those troops would go to NATO.

Q. Has this new decision to do with a change in American strategy?

A. No, I don't think it is a new decision. There isn't any new decision. The command structure of the troops remains as it is.

Q. The Pentagon has voted some million dollars for a [inaudible] to England.

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A. I was going to make a remark about a million dollars in the Pentagon budget. If we had to have an explanation for every million dollars we would be here all night [laughter].

Q. We have gone through a period of growing tensions between Europe and the United States [inaudible]. Do you think these tensions have lessened during these last couple of weeks or months?

A. So far in this trip I have been to Germany, to Belgium, and here. I have met with the foreign ministers of the NATO countries and their staffs and with the European Commission. I have found everywhere constructive feeling, and I felt at the end of the NATO meeting that I was very much in the presence of allies and in an alliance—an alliance for peace, an alliance that recognizes the importance of strength and purposefulness. I didn't sense all of the spirit that I read about.

As far as the meeting with the European Commission is concerned, I think it was a very frank and straightforward meeting. Our principal differences were in the field of farm exports. We discussed those problems directly and set up a method of tackling them. Whether they will be successfully tackled by the process that has been set in train remains to be seen. What we have decided to try to do is identify operational things that can be done to lessen the problems and try, in the process, to forego philosophic arguments about whether the cap is a good arrangement or whether U.S. foreign policy is a good arrangement—get away from philosophic arguments and start talking about operational matters.

Q. Could you tell us what your perception is of the effect that the current situation of flux in the Kremlin has on allied cohesion?

A. I had not noticed any particular situation of flux in the Kremlin. You had a leader die. A new leader has taken his place. The new leader has part of the old leadership and has expressed himself as very much in favor of continuity. Maybe there will be some new policies and a more constructive approach. That remains to be seen.

Q. Would you favor that the Dutch continue the participation in the UNIFIL [U.N. Interim Force in Lebanon] forces in Lebanon?

A. Yes of course, I recognize that there are problems. It will be desirable if by the time the renewal question comes

up—I think around the 19th of January—that there will be a plan of some kind, or a course of action identified, by which foreign forces will get out of Lebanon and, in that event, a definite mission defined for UNIFIL. I know that it tries people's patience now to be there without having this course of action identified.

We appreciate, I think the world appreciates, the willingness of the Dutch to continue to be a part of UNIFIL. It is important to have those forces there. I think everyone who has looked at the situation recognizes that there needs to be armed forces to supplement those of Lebanon when all the foreign forces withdraw. It is not the easiest thing in the world to get a peacekeeping force in being. If there is one there, we would hope it would stay there. It would be quite useful and helpful to Lebanon as a country.

Q. You want the Jordanian King to enter the peace process. What can you offer him in return?

A. Peace. Now listen, peace is the most important thing. Peace with some justice of course. As the United States works its problems around the world, we are trying, and I know you are trying, to find those policies that treat people properly and with justice; but also will bring about peace. Peace is a very important ingredient everywhere, and I would say particularly against the background of the events of Lebanon and Beirut, which can explode anywhere. Some assurance of peace must be very valuable to everyone.

Q. But does this mean that you are convinced of political cooperation of your friends in Israel?

A. I think that Israel, like other countries in that region, values peace tremendously and responds to that incentive.

**JOINT NEWS CONFERENCE,
ROME,
DEC. 13, 1982¹²**

Secretary Shultz. In keeping with the courtesy extended to me and my party throughout this visit, the foreign minister has invited me to make the first statement, and I think what I might say is simply that in the series of meetings I have had here with Prime Minister Fanfani, with President Pertini, and with my friends Foreign Minister Colombo, it has been a very worthwhile and enlightening day for me.

I know that you would prefer to ask questions than have me give lectures so I will simply let it go at that except for one incident in the discussion with Prime Minister Fanfani. I told him that Mr. Colombo was the first foreign minister to call on me and that he had taken me under his wing and given me some instructions. I said that he had also told me the tricks of the trade, and Mr. Fanfani thought about that for a minute and said, "I hope he didn't tell you all of them."

Foreign Minister Colombo. First of all, I would like to take this opportunity to once again convey words of welcome and greeting on my own behalf and on behalf of the Italian Government to Secretary of State Shultz. I would also like to say that this day of talks has been a very intense and a very fruitful one. I could add at this point fruitful as always in all the talks that I have had the pleasure of having with Secretary of State Shultz since he came into office. Our talks have covered a wide range of problems starting with East-West relations, especially in view of the recent evolution of our policy vis-a-vis the Eastern countries. We have exchanged our views on the Polish situation; we have discussed the INF and the START negotiations; we have discussed the Middle East, both Lebanon and the general negotiations as a whole; we have had discussions on international terrorism and also a discussion on bilateral problems, a discussion which we will be able to continue this evening.

Q. My question is in regard to Poland; the announcement by General Jaruzelski. Does the United States at this point regard those announcements as cosmetic?

Secretary Shultz. I think the general answer is that we are looking closely at what has been said, that we are consulting with our allies, but in a preliminary way. What we have seen so far are some words but nothing of substance has actually been done. But we will continue to observe the situation and consult—it is hard to say at this point. We do not see that there is anything that substantial as to cause us to think a major change has taken place. There may have been some development during the day of which I am not aware because I have been in one meeting after another, but I think that the minister and I discussed this, and we basically see this the same way.

Q. With respect to your conversations on the antiterrorism problems,

could you tell us how much concern there is in your country with respect to the investigation of the assassination attempt on the Pope and links or attempts to link it to Bulgarians?

Foreign Minister Colombo. We are following with great concern the evolution of this situation. The data that we do have at the moment is not complete and not everything has been confirmed. We will give a political assessment when all the necessary data has been collected and, most of all, confirmed. Of course, we consider the situation to be a very serious one, and if the data that will be collected will correspond to what is assumed at the moment, Italy will reflect very seriously on the conclusions to be drawn. And just as today we have discussed this problem with Secretary Shultz, so in the same manner, if this data is confirmed and also if this data is on a broader basis than what it is at the moment, we will also inform and speak about this to our NATO allies.

Q. What can you tell us from your visit with the Pope; what his feeling is about what's happening in Poland; how does he feel about events there now?

Secretary Shultz. I don't think it is appropriate for me to comment on things that the Pope may have told me about Poland beyond saying that he is obviously following the matter very closely, and we did talk about it. I did raise with Cardinal Casaroli—I asked him what he thought about it and he said, "Well, you must talk with our resident expert." So certainly His Holiness' views are ones we all are very interested in, but I don't think it is appropriate for me to quote him.

Q. You mentioned that, on the subject of the Bulgarian investigation, you were going to consult with your NATO allies. Does that suggest that you think there might be a link with the Soviet Union?

Foreign Minister Colombo. First of all, this information would only take place if the data collected would prove this information to be necessary, and second, what you say is not necessarily so because if there is one problem that concerns one of the countries of the Warsaw Pact, therefore, we would discuss this at NATO as we have always discussed this type of thing: that is a collaboration within NATO to fight against terrorism. If I may express myself freely, I don't feel that you can draw the conclusions in the direction you seem to be going.

Q. Today in your talks with various representatives of the Italian Government, have you also discussed the problem of an eventual crisis in the Persian Gulf and what the Italian contribution could be to such a crisis, bearing in mind that this crisis in the Persian Gulf would be a threat for the security of NATO?

Secretary Shultz. We discussed Middle East developments—Lebanon, West Bank-Gaza issues, and matters of that kind. We did not discuss the gulf area as such, so I can't say that we had any discussions on that point.

I would add more generally, however, that I did say to each of the Italian Government officials I talked to that the contributions of Italy to peace in the world, to constructive behavior, for example in the Sinai, for example in the multinational force in Lebanon, in its determination to deploy the INF weapons, to support the negotiations in Geneva, and in many, many respects all the way through, Italy has been a great friend and ally, and we welcome this behavior on the part of Italy very warmly and applaud it.

Q. If evidence were to bear out some of the speculation concerning the Bulgarian connection, what implications would you derive from this with regard to the future of the East-West dialogue?

Secretary Shultz. I don't think it is well to speculate excessively on this, and I would only echo what Foreign Minister Colombo has just said; that it is a serious investigation with important implications and we'll await the developments of the investigation. The Government of Italy has said that it will keep us informed. We'll rest at that.

Q. Was the question of the Siberian gas pipeline addressed in the course of the discussions? Could you give us an indication as to whether, in the event that evidence were to throw further conclusive light on the Bulgarian connection, would this tend to slow matters down also with regard to the issue of the Siberian pipeline?

Secretary Shultz. We didn't discuss that subject. We did, however, discuss the subject of East-West economic relationships and the desirability of finding together a firm strategy for conducting those relationships and a method of consulting about that strategy. Those of you who were at the NATO ministerial meeting remember that we did agree there to energize the OECD and

COCOM and in various respects stimulate a variety of studies and activities. Minister Colombo and I, in our discussion, agreed that it would be desirable to have some overall strategic umbrella, you might say, over these individual activities. And, in one way or another, we are both determined to find our way to the answer of how to construct that; we haven't got the answer yet.

Foreign Minister Colombo. I confirm that we have not discussed the problem of the Siberian pipeline, and I confirm that we have discussed an East-West strategy, especially the problem of security for the Western world which includes also economic behavior and conduct vis-a-vis Eastern countries. This coordination will take place in studies that are going to be carried out in the appropriation fora such as OECD and COCOM. Then, once these studies are made, there will be coordination which will bring about a coordinated policy.

Q. Can you give us any details on your meeting with [Egyptian] President Mubarak; if you talked about an eventual formula toward retiring foreign troops from Lebanon?

Secretary Shultz. My meeting with President Mubarak was brief. We concentrated on his coming visit to Washington. Beyond that, however, obviously he and we are both vitally interested in developments in Lebanon and in the Middle East peace process generally. We discussed those and shared ideas about them and shared an impatience to see the situation get moving. I think he welcomes the return of Phil Habib and Morris Draper to the area.

DINNER TOAST,
ROME,
DEC. 13, 1982¹³

Mr. Minister: I am delighted to respond to your kind words and even more delighted to be here with you today in Rome. You were the first of my colleagues with whom I met upon becoming Secretary of State. I remember still your wise counsel and warm support. We began then a memorable acquaintanceship, which has since grown to a true friendship.

It is thus with particular pleasure that I today return your visit and pay my own first visit, as Secretary of State, to a nation and to a city which stands at the center of the Western world. Geographically, historically, spiritually, all

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roads lead to Rome. This is as true today as it was 2,000 years ago. As this city was the center of the ancient world, and classical Rome and Renaissance Italy are central to our common civilization, so when visiting St. Peter's yesterday, I was reminded that Rome remains at the center of the spiritual life for much of mankind.

Italy also remains at the heart of Europe and at the strategic center of the Mediterranean. Touching the spine of Europe on the north, acting as a bridge toward Africa and the Middle East, Italy has also become a pivotal force in political and economic relations between East and West.

Italy has, thus, played a leading role in the creation of a more united Europe, a process the United States continues to support strongly. The cooperation between our two countries in Lebanon is but the latest evidence of the constructive role which Italy, as a great Mediterranean as well as great European power, is playing throughout that region. In recent months, Italy has made a critically important contribution to the evolution of a more coherent Western strategy toward economic relations with the East. As a country vital to the trading system of the West, yet with a keen perception of the East, Italy will continue to offer valuable counsel and collaboration as we develop that strategy.

The greatest challenge before us today, as you and I discussed with our NATO colleagues in Brussels last week, is the protection of the values which our Western nations share. We must understand the vitality and wealth of these values—freedom, democracy, respect for the individual—and how terribly vulnerable they are in this world. Protection means strength, not only military strength but strength of conviction and strength of purpose. It is from this position that we are able to tell our adversaries that the West is prepared to negotiate differences on the basis of mutual restraint and responsible international behavior.

To preserve our strength requires resolution and imagination. No Western nation has displayed these qualities more boldly and wisely than Italy.

I ask you all, therefore, to drink to this friendship between our two countries which is displayed wherever in the world Western interests are at stake. It is a friendship America has learned to value. It is friendship upon which the Western world depends.

**JOINT NEWS CONFERENCE,
PARIS,
DEC. 14, 1982¹⁴**

Q. We are frankly a little puzzled as to why, at the last moment, this invitation has been extended to us. We have the suspicion that on the basis of the Secretary's news conference today, and because there have been reports of a lot of negative vibrations insofar as relations between the United States and France are concerned, we have been summoned here to give you both an opportunity to correct that impression.

Secretary Shultz. When I arrived here, Claude suggested that there were a few French journalists around that he would like to invite for a little discussion after dinner. And I said that would be very agreeable with me but there were a number of extraordinarily talented journalists traveling around, and that I thought that in all fairness to them they should be invited too. He said, of course, so we called up and invited them. I can't imagine why we get all these negative vibes. But I think it may be since my news conference came in a sense in the middle of the day, although I think that the most important meeting I had which was of course with President Mitterrand had taken place. We can bring out a few more things here so you might ask another question.

Q. Could you be more specific in these studies? You refer to OECD and COCOM. Has it been expanded in any way? Are you any closer to the umbrella approach you were talking about earlier on this trip?

Secretary Shultz. Let me say exactly where all these matters stand. There is a series of activities or studies that are underway or about to get underway that are specific to different subjects and I'll identify them.

First, and I think perhaps the most important, is the effort within COCOM to strengthen it in all of its various dimensions. And there is a group that has been working on that with greater intensity now for a few months.

Second, we agreed that there are other types of high technology, including possibly in oil and gas technology which may, while not being directly military in their application, nevertheless have a relationship to security issues because of their strategic nature. And we agree that our people engaged in the COCOM exercise should also examine this class

of technology and give us their advice and move on and do whatever we think is appropriate in that area.

Third, there was called for at Versailles the establishment of a way of keeping track of the financial and trade flows between the Soviet bloc and the West just as a matter of information so that we had a better information base for any activity, and this we hope to get going in the OECD as had been agreed. We should get that off the ground promptly. We will energize the OECD or request the OECD to do that.

Fourth, there is agreement that we should conduct a study about energy alternatives in Europe, but not only in Europe but for the United States and Japan. We are looking at supply and demand to see just where we stand and where we might go and what would make sense and what would constitute in an East-West sense any potential problem or threat to us and how to deal with it. So that study will be gotten off the ground and our intention—this was agreed to in NATO, for example—is to ask the OECD to undertake this effort, and they may properly want to use information or resources in the IEA or it's also the case that the governments have all done an extensive amount of work on this subject. The EC Commission has done a lot of work on this so it will be readily possible to put this together.

And finally, we agreed that in view of the fact that we are all spending a lot of money and resources—we can argue enough about whether it is enough or not, but in any case—on our defense effort and that we are doing this principally for the reason that the Soviet Union is putting so much effort into this field and that constitutes a threat to us, that under those circumstances, we shouldn't make, in a sense, gifts of resources to them. Now we will energize the group that studies this general subject in the OECD to tackle it, recognizing that the subject is an exceedingly complicated one. It has lots of angles to it. It is by no means enough to say that we would agree on some rate of interest to charge. That is the tip of the iceberg you might say. So this is a subject that is very complicated, and it deserves a lot of attention and study.

All those things we have discussed before, and we have discussed them today. While no one can be sure where we come out on them, we go into them in good faith and seeing them as related to the basic security concerns that we have.

Finally, we have talked before in

various fora, including in the NATO meeting and various NATO meetings, about the importance of adequate consultation and coordination among sovereign countries about their overall objectives and strategies in this area of East-West trade insofar as security concerns are related to it. And we agree that it is desirable to make such an effort. It is desirable to have an effective pattern of consultation and that consultation among sovereign countries will work better if we have some set of objectives against which to hold our discussions and have some understood way or pattern in which the consultations are going to take place. Because we all recognize that there is lots of conversation, but how purposeful—that is the issue. This is designed to make it more purposeful.

In our conversations today we talked about various possible ways to accomplish this objective and places to put it and I think it is fair to say, Claude, that it was our general view—certainly President Mitterrand seemed to feel that this was the best view—in the light of the fact that what we are talking about here is essentially a security-type issue that the best place to conduct this study is probably in NATO. And we will have to consult with our allies, of course, and develop the more precise contours of what this study would be. But we have agreed that we will raise this together and see if NATO would not be the vehicle for the conduct of this study.

I think we have to recognize as well—and here it is a little difficult to arrange anything these days because you have to describe it constantly before it is all arranged. But in order for this to be effective, you have to find a way to associate Japan in the effort. And so we will be in touch with the Japanese and we will be in touch with our allies and we will see if there is some way we can accomplish that and there are various possibilities. But at any rate those are the objectives we have in mind. And I think they are good objectives and that the pattern that was identified in our discussions, particularly with President Mitterrand, ought to be quite workable.

Foreign Minister Cheysson. A number of studies are in course. They will be expedited. Other studies are needed. Instructions will be given by every government to its delegation in the appropriate body in order that it should be started immediately. George Shultz gave the list of such studies.

One point which we noted and which

we have not recalled now, is that we happen to have a number of political meetings where policy matters could be considered at the end of May and the beginning of June—OECD ministerial meeting, Williamsburg summit of the industrialized countries, and finally the Atlantic Council meeting in Paris. So we think that governments should be in possession of the first conclusions of all these studies before that set of meetings in order that they can then discuss between them.

Conclusions of the studies will be sent to each government. Some of them will bear on matters which concern security and this will fall under the constraints of NATO, COCOM, or what. Other conclusions will be sent to governments which will use them within their own policies but seeing, of course, that such policies be for each government coherent and compatible with the security concerns that fall under a number of bodies.

Where can consultations take place then between the governments on the matters that concern security? NATO, but for one point, which is that Japan is not a member of NATO and cannot be associated with NATO. That is a difficulty. On the matters that fall outside the main security concerns, we shall have to consult when there is an occasion; when there is a political meeting at the very top or at ministerial level. This is not to deny in any manner anything that George has said but to add a few points and particularly the fact that we have noted this convergence of meetings at the end of May and beginning of June.

Q. What will the study in NATO be about? Will it be to pull them all together? Or will it be on military spending?

Secretary Shultz. It is as I would see it to set out our objectives as we seem to get some way of collaborating more effectively on East-West trade and financial arrangements; to set out our objectives as they relate to security, our strategy. What that entails is to have some criteria and to examine a variety of fields—some of which are already identified in the ongoing studies but may benefit from looking at them in their relationship to each other so that we have a kind of strategic effort here against which to look at individual events that come along and broad proposals that may come along.

Q. Is this the institutional framework in which the organic or global study of East-West trade will be carried out?

Secretary Shultz. I would prefer not to use words like “organic” or “global.” They seem to be words that are difficult, but I would just say that it is an effort to identify by strategic objectives to see what we are trying to accomplish, to separate that from things that we are not trying to accomplish here. After all this has to do with security-related things, and most trade with the Soviet bloc does not have directly to do with security things so it's not going to do everything. We are just looking at certain things, and we need a strategy to help us coordinate ourselves with respect to that.

Foreign Minister Cheysson. There is one thing which has been forgotten by both of us which is not that important, but still, the economic committee or the economic secretariat of NATO has undertaken a number of studies over the last few years, and we have requested them to carry on such studies. They bear on the economic situation in the Eastern bloc. And this would be part of the data and information that would be needed and used by every one of our governments.

On the main point, I agree with what George Shultz said. NATO is a proper place to consider, to coordinate action for any matter, including economic subjects, insofar as they concern security. The only difficulty there is that Japan is not a member of NATO, and we will have to find a way to see that the Japanese also take their share of responsibility. After all, they are protected by our security system, although they are not in NATO. They are indirectly protected by the very existence of NATO in its zone of competence so they must be associated some way with the conclusions that will be drawn that concerns security. Because I repeat NATO is competent for us only as far as it concerns security.

Q. If it succeeds, won't the result of this study be to slow down East-West exchanges?

Foreign Minister Cheysson. As far as we are concerned, we agree with these restrictions in trade with the East if their effect is to reinforce the military potential of trade in the East. Insofar as it concerns security, one more point; but if we consider the evolution of exchanges in the past 2 years, we see that they decreased very rapidly with the exception of trade with the United States,

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and they have decreased with Western Europe for reasons which have nothing to do with security but only due to the lack of monetary credibility of the Eastern bloc.

Secretary Shultz. I would add one point on this question of "if you have some procedure doesn't that slow everything down?" It does introduce an element of consultation. However, I think it is likely that the consultation will be fruitful and in the end make the whole process more decisive and with a greater sense of unity behind it. And I would say beyond that that one of the things that we seek in the COCOM process is to strengthen its administrative capacity a bit so that it is possible for things to be handled more decisively and expeditiously rather than just sort of drag on forever as they had tended to do sometimes as I understand it.

Foreign Minister Cheysson. We agree completely with that.

Q. First, what is your view about the future flow of credits to the Soviet Union? Secondly, what is your view about future purchases of natural gas from the Soviet Union?

Foreign Minister Cheysson. With regard to the flow of credits, there has been no progress in our discussions since Versailles. In other words, we are exactly where we were when we left Versailles.

This being said, I'm afraid that since Versailles, we noted that the flow of credits was keeping on the decline for the reasons I have already said. Banks are less tempted to open credits to Eastern Europe just now than they were 6 months ago, and they were less tempted 6 months ago than they were 12 months ago. When you see the state of the balance of payments of Hungary, of Poland, of Romania, and even of the Soviet Union, banks are less inclined to open credits. We should not forget that most of the credits which have been opened to support trade to the Soviet Union and to their partners have been private banking credits. The flow of credits has been on the decline and still is.

With regard to gas, we consider that no one has any right to impose any constraints to any one of our countries with regard to our supplies of energy. We are quite ready to answer questions, to explain why and how we limit the dependence resulting from gas purchases, but we feel free to buy gas or to buy any other form of energy from

wherever we find it fit. Dependence in the case of France. We consider that our present contracts with the Soviet Union represent a very limited dependence in proportion to our total energy supply—5% in toto—this being covered, compensated by the constraints that have been imposed on some of our buyers of gas in France itself, i.e., that they can shift from gas to fuel any time the gas supply will be cut. But this is our problem—our domestic problem, our own policy. What we have said and what we are ready to state again is that it is not our intention to open any new negotiation for gas purchases from the Soviet Union for the time being. But this is our decision; it could be amended if we thought it proper. We don't see why we would enter into such negotiations in the months and even years to come. But, again, this is a decision that we have taken which is our own unilateral decision. It doesn't result from any commitment to any one.

Q. Is 5% a self-imposed ceiling?

Foreign Minister Cheysson. It's a kind of proportion which we found reasonable. It goes a little beyond that. I'm not going to enter into technicalities. But the number of industries that can undertake to shift from gas to fuel overnight, if need be, is limited.

Q. Isn't it the thought, for example, that France will increase its gas imports from the Soviet Union only to the extent that it reduces other energy imports from the Soviet Union?

Foreign Minister Cheysson. As you know we did import over the last few years, I think it was 1.5 million tons of crude oil from the Soviet Union, and it has always been the intention of the French administration, even before we came to office, that this would progressively be cut. All the more, as it is not sure that the Soviets would be in a position to provide oil in a few years from now. Half the total of our supplies from hydrocarbons—oil plus gas—coming from the Soviet Union is, in fact, limited to 5%. I told you in addition this 5% is quite reasonable due to technical constraints.

Q. You have spoken of 1983 as the most difficult year since the war. Have you discussed this today? Do you feel any better?

Foreign Minister Cheysson. Oh certainly not. Despite my great pleasure to meet my friend, George Shultz, he has not relieved my concerns about 1983. I don't think I put it that way to the

Secretary of State in the course of the day so I have to tell him that the two reasons why I consider 1983 will be the most difficult year we have known since World War II is: (1) when the December 1979 two-fold decision of NATO will have to be implemented which means either the negotiations in Geneva will succeed or the missiles should be installed. This is the first reason why it will be a very difficult year. There is little doubt that the Soviets will have that very much in mind and will make every effort to try and prevent this installation of Pershings and cruise missiles. Will you be ready to pay for that noninstallation by a success in the negotiations in Geneva? This is our hope, but, if not, we repeated it in Brussels in the last few days, then the missiles must be installed as provided for.

The second reason is that I consider, and I am not the only one, that the world economic situation has come to its worse possible situation. Purchasing power, facilities for investment, the market is being reduced in all parts of the world, especially in the Third World, which after all was a support for the recovery which took place after the first oil crisis. We do not see where the light can come from. Therefore, we consider 1983 will be extremely difficult in economic terms. Have we reached the threshold beyond which unemployment might become an explosive subject? No one knows. We hope not. But the growth of unemployment is still going. 1983 will be, in the economic field, the most difficult year we have known until then.

Q. How committed is the French Government to President Reagan's zero option? Have you discussed the possibility of a compromise with the Secretary?

Foreign Minister Cheysson. I can answer the first part of the question. The second I leave it to George. The first part of the question—we are not in that negotiation. We rely completely on our American friends to try to achieve success there. We support their position. Their position is option zero. We support option zero. Of course, if we think of possible developments, we can't exclude that in the course of the negotiation, there might be slight changes. But a position taken in that negotiation is option zero—we support that position. Now was it discussed between the President and Mr. Shultz, I don't know. We did not discuss it together.

Q. Do you believe that the Soviets can or should have the right to

negotiate on the basis of the French or British nuclear capability?

Foreign Minister Cheysson. We have never accepted that our own nuclear potential be taken into account. And we haven't changed our mind.

Secretary Shultz. We didn't discuss any alternatives to the zero option. I think the name Kraft was mentioned once. Our position is that the zero-zero approach is the best approach. It's very desirable to eliminate entirely that class of missiles from the European soil, and we think that is a good position. And I don't have any further comments beyond what I made this afternoon on alternative proposals.

Q. Is there any chance the Soviets could accept option zero?

Secretary Shultz. Certainly. It's a good, sensible option. It has many attributes such as, in addition to the obvious merit of eliminating a very threatening form of weaponry, that it is easier than any other option you can think of to verify, keep track of, so it has a lot of attributes and there is a genuine interest in reductions. This is certainly a reduction. I think it's worth continuing to advocate it.

Q. Returning to the studies—the decisions based on the studies will be made by the individual governments. Is that correct? Secondly, at Versailles, a pledge was made that no government would undertake commitments that would undercut other governments. Does that pledge still hold?

Foreign Minister Cheysson. On your first question, no, it is not correct to say that decisions will be entirely left to the individual governments when security is concerned. Insofar as it concerns security, we, and I understand every other ally in the Atlantic alliance, accept the restraints resulting from the treaty of Washington and from the COCOM arrangements which are all the time being energized, being put up to date. Yes, your interpretation is correct when the decisions bear on matters which do not concern security. They would consider that every government is free of its choice and decision. Still, even in such cases, we think it's the duty of every government to see that such decisions that they take in their sovereign right be compatible with the undertakings, with the commitments into which they have entered under the security arrangements. We can't have a policy in certain fields which would be completely incompatible with the commitments under NATO.

Q. If differences arise among the allies over whether a particular action affects security, who will resolve that difference?

Foreign Minister Cheysson. Dialogue is the answer. We are not going to set up a court to decide that George Shultz is right when he says that potatoes are a strategic product because staff soliders in tanks eat potatoes, and if I say to the contrary, you see. We are not going to set up a court between us.

Q. Suppose the French enter a study group. Is there a commitment at the outset that each government will respect the outcome? Don't you leave plenty of room for escape in the implementation?

Foreign Minister Cheysson. I leave it to George Shultz to answer for the United States. As far as we are concerned, I'd say that when it falls under COCOM, if a conclusion is reached in COCOM unanimously, this is the ruling in COCOM, then it is binding. If a conclusion is reached in a study group in OECD, normally, it is not binding, but the governments can turn it into something binding. That is exactly what happened with the "consensus." At the time when the so-called consensus was considered in committees, in meetings in OECD, OECD had no right to decide. The consensus then had to be adopted by all governments, which it was. It was automatically adopted because it had been recommended by a study group. When in COCOM, if the governments sitting in COCOM decide that such a product should be added to the list, then it becomes binding. That's what happened on a number of exports of technologies and what happened during the last few years.

Q. Do you have a sense of what percentage of decisions fall under COCOM and what under OECD?

Foreign Minister Cheysson. Oh no. No idea.

Secretary Shultz. Relatively speaking, I think it's fair to say that if you take total trade and then you say what proportion of that would be classified as having a security component to it, that the proportion would be probably relatively small. But, of course, to a degree, this is to some extent prejudging what results may emerge from the considerations that will be undertaken here. But I think in answer to your question that a government—certainly the U.S. Government—that started on a study saying whatever the outcome of the majority vote in the study may be,

we'll be committed by it, governments don't go about it that way. They undertake, in good faith, to work on a subject together and when a consensus is reached, a general opinion is reached. If a government then undertakes as its policy to do thus and so with respect to that outcome, it will stick by it and be faithful to its commitments.

Q. Mr. Cheysson has made clear where France stands on credits and energy. What is the direction of your thinking on flows of credit and energy? What would you like to see the studies accomplish?

Secretary Shultz. The object, as I see it, is to avoid giving them the means to build up their defense capabilities. Because of what the Soviet Union is doing, it makes no sense for us to give them resources. When you say how do you avoid that, what constitutes giving of resources—I'm trying to stay away from the word "subsidize" because I find it is a word that has very special meanings, but in the United States it is the kind of word I would use, but I'm not using it here because it has its own meaning here. But, to express the idea generally, now if that's what you are trying to do to avoid that, then you are undertaking something that is quite complicated, and I think there is a tendency and our French friends have brought this out to say all right, we've agreed on an interest rate, that's the policy.

If you think about it at all carefully, and if you have been involved in business deals, you recognize that that's one part of the price. There are many other dimensions. It's a complicated subject, and, so at least as I see it, we will energize this study to confront the true complexity of this issue and try to disentangle it, and I don't know what the answer is at the start of the study. I do know that it is a doggone difficult subject, having struggled with it myself, both as a bidder on major items and as a government person before this in the Treasury struggling with the credit issue on such.

But I think the way in which this is being conceived of as broader than just an interest rate is the right way to conceive of it. It's a more accurate way. It makes contact with the subject. So that's about what I can say on it.

On the general subject of energy, I don't have anything to add to what Claude has already said. I think it is generally the case just as he said France does not have an intention of signing

new gas contracts right now. That's its own decision made for good and sufficient reasons. My impression is that it is also the case among other countries.

In the meantime, however, we will make a comprehensive examination of alternative supplies and what demands may be and what makes sense and how the kind of hedges that Claude has described, of capacity to switch from one fuel to another can be built into the system. We will have to see what outcome we get from that. Whether or not Norwegian gas plays a part in this, I don't know the answer to that. If I knew the answer, we wouldn't have to make the study. But it is certainly a major potential source, so it's one of the things, I presume, will get a lot of attention by the people conducting the study.

Foreign Minister Cheysson. You used a word a little earlier, an expression, which I think is very important in the relations between allies—good faith and I'll take this problem of energy.

For the time being, we do not consider that we need more gas than we have contracted for. Maybe, if there were a *relance*, new economic growth, that tomorrow we would need more energy imports. Then I think it is more useful that as a result of the study in OECD, as a result of our direct contacts, we should tell our partners: look we, the Germans, British, Italians, any one of us, needs that additional amount of equivalent oil supply. Where are we going to find it? And then I suppose that in good faith we can together discuss where that energy can come from. We will see what we can do on the domestic plane, and, as you know, the French have been pretty good at that with the development of their nuclear production. What we can't do with our domestic facilities, and what we have to import and we'll see where it has to come from and in what form. It may result by that time that if there is good faith that we find a better solution than importing more gas, than importing more energy from the Soviet Union. This will be seen at the time, and if it is seen in good faith, I'm quite sure that it will result into a contract, into an additional supply that will be considered as reasonable by everyone. But you can't say in advance.

Secretary Shultz. Recognizing that it is understandable that the questions here tonight would concentrate on East-West economic matters, I'd like to stress again that the relationship between France and the United States covers a wide array of subjects and geographical

concerns that we have in common. And that, as we discuss all of these things, our relationship is deepened and strengthened. And this East-West economic matter is an aspect of it. But there are many others, and they are very important. We have touched on a few tonight, but not many.

I just wanted to make that remark so that the full context of these discussions is seen. And I do think on the East-West economic matters now we have a good understanding, and we will be able to proceed in one way or another and collaborate in good faith as Claude says.

Q. What is the true value of a study group which reaches conclusions but leaves loopholes to governments to say "it's not for me?"

Foreign Minister Cheysson. This is the rule of the game. We're all allies but none of us can dictate to the others. And we certainly do not accept a machinery that would be in a position to make decisions superseding those of national governments unless it comes under security matters which fall within the purview of NATO or within the constraints accepted under COCOM.

Q. But the Secretary has indicated that security represents a very small percentage of these decisions.

Foreign Minister Cheysson. It isn't a question of percentage. We haven't touched agricultural products. They represent a very large part of the present trade. As a matter of fact, it is the United States which now has a very large trade with the Soviet Union to sell agricultural products for something like 90% of your total exports. It is a question of dealing with those products, with those technologies which may strengthen the military potential of the Eastern bloc. There we accept the restraints. For the rest we exchange views.

Secretary Shultz. You wouldn't accept going into a study of something and say going in before I know anything about what's going to come out of it, bind my sovereign nation; no country would do that. However, when you get to the end of the study, and if it is generally agreed that here is something that is desirable, individual countries may decide in their security interests, yes, we want to make a mutual undertaking to act in such and such a way. And that's what you get out of examining the situation and seeing where you want to go.

Q. It's still not clear to me whether France is ready to participate in this effort to establish an East-West trade strategy.

Secretary Shultz. If it isn't clear to you by now, it's never going to be clear to you. How many times does he have to say it?

Q. How are you going to explain these studies to the Soviets? Won't they take offense?

Foreign Minister Cheysson. If they take offense, it's their affair.

STATEMENT AT CSCE, MADRID, DEC. 16, 1982¹⁵

I am delighted to be here this morning at the site of the CSCE [Conference on Security and Cooperation in Europe] review meeting, so ably hosted by the Government and people of Spain.

As you know, I have just met with Ambassador Kampelman [head of the U.S. delegation] and his NATO colleagues. I was greatly impressed by their spirit of cooperation and their dedication to strengthening the CSCE process. Through our mutual efforts to insure that the promise of the Helsinki Final Act is fulfilled in practical ways, we are advancing a process that can reduce divisions and improve the human condition in Europe.

Unfortunately, not all of the 35 signatory states have taken the commitments we freely entered into at Helsinki with equal seriousness. In Afghanistan, in Poland, and in the Soviet Union, the obligations undertaken in 1975 are being flouted, with grave cost to human life and human dignity.

For the Helsinki Final Act to be a living document, it must be honored by deeds, not just words. This does not mean that we expect the Eastern countries to be like us; but we do expect a sincere effort to abide by commitments freely made—to refrain from the use of threat of force, to honor the right of peoples to self-determination, to respect the dignity and fundamental human rights of individuals at home and abroad.

Events in Poland over the past year strike at the heart of the CSCE process. It was for that reason that Western foreign ministers came to Madrid last February to stand up for the people of Poland and in defense of the Helsinki Final Act. As free nations, we cannot

turn our backs on the Polish people's struggle to realize the promise of Helsinki.

We want the Madrid meeting to strengthen CSCE. We seek agreement on a full concluding document which would embody balanced progress on human rights and security issues, including the mandate for a European security conference. But failure to honor existing CSCE undertakings is an obstacle to such an outcome. Therefore, we have jointly sponsored new proposals which address these failures. Our proposals—on such issues as labor rights, freedom of religion, and Helsinki monitors—extend the provisions of the Final Act and make the requirements for compliance unmistakably clear.

In making these proposals, we remain mindful that the Helsinki process is more than mere words. The actions of governments are what determine whether that process will flourish or wither away. Here today, I can tell you that the United States pledges to support and promote the standards of Helsinki vigilantly. No state which seeks the goals of peace and stability in Europe can fail to do the same.

NEWS CONFERENCE, MADRID, DEC. 16, 1982¹⁶

President Reagan asked that I come to Spain as one means of expressing his support and the support of the U.S. Government for the democratic values so evident in the last Spanish election. In my visit here with each person that I spoke with, the support for those values was manifest. It also came through very strongly to me the respect and affection in which the king is held and the realization of the strong role that he has played personally in the development and maintenance of these values. So in all of these respects, it has been a very worthwhile and interesting visit for me. Beyond the substantive matters that we discussed in various meetings, the President did also authorize me to invite the prime minister to visit Washington, and the prime minister has authorized me to say that he is delighted to accept. And we would expect that a working visit by the prime minister to Washington would take place some time in June or thereabouts.

Q. Yesterday the kind of change Mr. Gonzalez's government wants to

introduce in the present agreement just to make acceptable to the Congress here.

A. I think you are asking about the bases agreement, were you not?

We did discuss that in all of my meetings, and I think it is fair to say that on each side we don't see any major impediment to fairly prompt ratification of a bases agreement.

Q. Did you get the impression that Spain will eventually remain in NATO?

A. This, of course, is a decision for Spain to make. The Spanish officials I met with did express their sense of loyalty to the principles involved. I know that they intend to study this matter seriously. For our part in the United States, we think that it would be good for Spain to join the alliance, and we think it is good for the alliance to have Spain as a member. But the question, of course, is an open one and the government I am sure will be studying it, and we will await their decision.

Q. What role can Felipe Gonzalez play in Central America?

A. We did discuss the subject of Central America and South America, and I discovered in the course of that discussion that the prime minister is a very knowledgeable and thoughtful person about the problems and developments in that region. And I feel sure that we will find ways of working together as two governments on the issues involved.

I suppose the fundamental thing, again, is support for democratic values and for a just economic kind of development in the region are things that will tie us together. And we talked about, as an example, the San Jose principles that were first introduced by Honduras and adopted in the San Jose conference a couple of months ago, as being, as we see it at any rate, fundamental to developments in that region. These principles include: not having offensive weapons in the region, banning and getting rid of all foreign and military advisers, not shipping arms across country borders, seeing the development of democratic principles for government, working for the reconciliation of various groups that are at issue with the government, and principles of this kind. And I think if we can find general support for these principles, we are on our way to a capacity to work effectively together.

Q. Could you see the possibility to celebrate a top meeting about Central America—something like the Helsinki

accords, but to be celebrated in Central America to defend the human rights and to arrange the whole situation of that continent?

A. I think the objective of gaining universal respect for human rights is a very important one and to a very considerable degree that is exactly what the San Jose conference on freedom and democracy that I mentioned is trying to bring out. And we have been supporting the democracies of that region in their effort to bring these principles forward and gain support for them. We believe in the United States in these principles, and we think the more people who are willing to come and subscribe to them and support them, as they apply in Central America right now, the better.

Q. Have you dealt with the question of cooperation and assistance from the United States in the modernization of the Spanish Armed Forces? Have you dealt with the possibility within the bilateral framework that the U.S. Government might ask the Congress for increased appropriations, and within this same context, has anything been said about the possibility of furnishing F-18s to the air force or the navy?

A. Not all of those subjects came up, but in one way or another, the F-18 was referred to in a conversation I had with the Defense Minister, and I know that's being considered here. Of course, the question of modernization of armed forces is a question closely related to the full entry of Spain into NATO. And that is one of the advantages that would come about as a result of such an entry. So that subject was only discussed very tangentially to the extent we discussed the NATO issue.

Q. I would like to ask whether the U.S. Government ever saw with any displeasure the coming to power of the Socialists in Spain and second, you said that there was no important obstacle to the ratification of the U.S.-Spain agreement in the Cortes. Does this mean that there would be no dismantlement of any base in Spain?

A. First, I have to congratulate the questioner. Upon hearing that that was the last question, she managed to get in two.

On the first question, we, of course, support democracy and democratic values. The outcome of the democratic process in any country is the business of

the country, and we don't interfere in that kind of decision. That is a decision for the country to make.

As to the second question, my comment would suggest that there are certain inferences that need to be taken care of, in particular, I think in ratifying the treaty as it now stands. The Government of Spain would not want the implication to be drawn, since the treaty refers to NATO, the ratification made a presumption about their decision with regard to NATO. I think that this concern is one that can be dealt with and, beyond that, I think that at least so far as I can see in our discussions, we should be able to proceed. But, at any rate, this is a matter that will be negotiated out and the ambassador will play a strong role in that. I did not feel that there was anything that looked like a strong impediment, and neither did the officials of the Spanish Government with whom I talked.

JOINT NEWS CONFERENCE, LONDON, DEC. 17, 1982

Secretary Pym. I've had the pleasure of welcoming Secretary Shultz in London. Any visit by a U.S. Secretary of State is important and is always welcome to Britain. It's particularly so in this case because in 6 months, Mr. Shultz has made a major mark upon the world. I have met him many times, and he's certainly put his stamp on U.S. foreign policy.

We've had a very useful and interesting talk. I am very glad that he arranged his European visit in such a way that he concludes it here in London. We have discussed this morning East-West relations, including the change of leadership in the Soviet Union, including the arms control talks and the CSCE talks in Madrid, and also the economic aspect. We've also talked about the NATO alliance and defense issues and particularly the issues that face the alliance in 1983. We also had a discussion on the world economy. This is, of course, primarily a matter for Western leaders and finance ministers, but as foreign ministers, we are inevitably involved in many discussions on the world economy which bears on how we do our business. We exchanged our views about that and look forward to the next economic summit in May.

We also exchanged views on the situation in the Middle East where, of course, the United States is playing a

leading role. We are giving every support to the beginning of the peacemaking process based on the Reagan plan which we regard as an opportunity that is absolutely vital and must not be missed.

We had a brief discussion about Namibia and also about Central America. They were, certainly for me and for us, extremely useful talks, and I feel that we have advanced our understanding on many matters.

We are always in very close touch—I think the United States and Britain have always been like that—and Mr. Shultz and I have certainly always kept in very close touch, and we are certainly going to do that in the future. So thank you for coming, and thank you for taking part in these discussions.

Secretary Shultz. As always when you've made a statement describing something, you leave little else for me. I think your description is accurate and comprehensive. I don't have anything to add to it except to say that I am very pleased to have a chance to be here and talk with you, and this evening with Mrs. Thatcher and your colleagues.

It is a little bit like coming home to me because London is where I started out as Secretary of State-designate. This is where President Reagan gave me the news that my life was going to change, so it's kind of fun to come back here and see London again in this perspective.

Q. You said that you had discussed defense issues and NATO issues.

Could I ask you about the issue of the cruise and Pershing missiles which may be deployed in this country later or next year? Is your government prepared to allow an element of joint control over the operation of those missiles, and if not, why not?

Secretary Shultz. Of course, Mr. Pym briefed me on the discussions that you've had here in this country on that issue, and we agreed that the arrangements for a joint decisionmaking that have been going on here for some 20 years and have covered U.S. nuclear systems in the United Kingdom work well. The December 1979 decision was taken by the alliance as a whole, and so all INF issues continue to be discussed in the alliance, and we had discussed in the NATO ministerial meeting and in bilateral discussions, but nevertheless within the context of the alliance, all manner of issues. Now, of course, Mr. Pym and I will be in touch on this issue and a full range of issues—and there are very many, particularly in the year 1983—and talk about them continuously.

But as I said, from all that I can hear and sense the way in which this has been handled has worked well, but I'll leave it up to Mr. Pym.

Secretary Pym. No, I agree with that. It certainly has worked well for over 20 years now.

Q. I think the demand being made in some quarters here, and I think the foreign secretary himself has said it would be highly desirable to have some kind of joint key arrangement, or dual key arrangement as it's called, some actual decision that has to be taken by both governments before those missiles could be fired.

Secretary Shultz. I don't think that image accurately describes any arrangements that have literally been in place in the past. But there has been a wide variety of arrangements, and they vary by countries. I think that we have to look upon this as an alliance matter and discuss it on that basis and not get into further detail about right at this point.

Q. The President has given an interview that has just been published that is being portrayed as bringing new pressure, heavy pressure, on Israel in connection with withdrawal from Lebanon. Can you amplify on that aspect of the reported interview, and can you tell us after your talks with Mr. Pym whether the United States can do anything beyond what it is already doing to bring about the withdrawal of all foreign forces from Lebanon?

Secretary Shultz. That is one of our objectives—to help bring about the withdrawal of all foreign forces from Lebanon. That's not the only objective.

It's also our objective to help the Lebanese, the Government of Lebanon, develop itself and take control of its country and develop its own armed forces so that they can be effective throughout the country and reconstruct Lebanon both in terms of the relationships among the confessional groups and in the physical arrangements of Lebanon into the vibrant and thriving country that it once was.

Now as far as the steps that we are taking in Lebanon are concerned, as you know, Phil Habib and Maury Draper are back in the Middle East. They met with Prime Minister Begin yesterday; they are in Beirut today, and I think that they are in the process of conducting this renewed effort on our part. I would leave any commentary or coloration of that to them.

Q. What about the President's interview and the way that it's being portrayed as new and heavy pressure on Israel? Could you amplify on that?

Secretary Shultz. I think there is clearly pressure being felt by everybody to bring this result about. I had the privilege of talking again with the Foreign Minister of Lebanon, and he certainly feels—as do others in Lebanon—that not only do we want to have this result, but it is a matter of urgency to bring it about speedily so that on the one hand the foreign forces don't get unduly dug in, and on the other that the emerging capacity of the Government of Lebanon to exert its authority can continue to be realized.

Q. To what extent do you recognize that in these talks about Lebanon the Israelis want them to be much more than talks about just withdrawal but the real direct political negotiations leading to a new relationship between Lebanon and Israel?

Secretary Shultz. We read and we listen so we realize that there are broad objectives involved, and there are also definite realities involved about the importance of an atmosphere that allows these confessional groups to come together and for Lebanon to construct itself as a country. And, of course, beyond that you have to say what does it mean to have a new kind of relationship with a country until that country has been able to form itself and get some coherence and have a capacity for deciding what it wants to do. But I would say more generally that the objective of a peaceful situation between Israel and its neighbors is one that we, of course, are doing everything we can to help bring about, not only with respect to Lebanon but with respect to all of its neighbors in the Middle East. Having peace with justice and reasonable conditions is the objective, just as it is in the efforts that the United States and our allies are making in other parts of the world. That's what we are standing for—peace and justice.

Q. Obviously in the weeks leading up to your coming here, the peace movements have played an important part in your country and in this country and in Western Europe. How important a part did that kind of public disquiet about nuclear questions—how important was that at your talks today?

Secretary Shultz. Everyone, I think, shares the hope that we can somehow construct a world that is at

peace, that has an increasing element of justice in it, and which allows people to live without an overhang of fear that's generated by awesome weapons. There's no difference of opinion about that. We all share that view.

The question is, what do you do about it? Because, unfortunately, we are not the only people around the world who have awesome weapons. We are seeking to reduce the level of these weapons. We are seeking to restrict the matter of their use. We are seeking to solve problems regionally around the world. Arms control is not the only thing that you have to do; you have to remove the reasons why people would want armaments. And everywhere you turn, I think I'm fairly stating it, the United States is on the side of the solution, not on the side of the problem, and so that is our objective.

We listen to people in our own country and elsewhere, and it's been very useful for me in coming here and elsewhere in Europe and talking not only with my counterparts but many other people. I've gone out of my way to try to see people not in the government as well as people in the government to get a feeling for how people view things. We understand the fears that people have, but we also understand that when you are confronted with a strong aggressor, the worse thing that you can do is let your own defenses decline and let fear lead you into appeasement. That is a key, and I feel on this trip in discussions certainly here and elsewhere—everywhere without any exception—a great sense of reassurance in the depth of understanding, the subtleties of understanding, and the sense of determination, unity, and cohesion that I felt in our alliance.

Q. Do you feel that the peace movements constitute a threat to the U.S. policy or NATO?

Secretary Shultz. They ought to present a reminder of the strength of conviction behind what we all presumably want, namely the kind of peace that has justice and right in it.

Q. According to reports coming from Jerusalem, the Israeli Defense Minister claimed yesterday to have achieved a major breakthrough in the talks with Lebanon. You met yesterday with the Lebanese Foreign Minister. Do you share this view?

Secretary Shultz. We didn't have any information about that statement that Mr. Sharon made, and I don't have any comment about it except to say that any genuine breakthrough, however

derived, that will bring about a withdrawal of all foreign forces from Lebanon and contribute to the reconstruction of Lebanon is something that we will welcome.

Q. You said that the arrangements for the last 20 years had worked well over control of nuclear weapons which has been the single American control here. But surely in the 1950s, there was the joint U.S. and British control over Thor missiles in this country. Why are you not prepared to allow a return to that system?

Secretary Shultz. As I understand it, there have been a variety of arrangements and what has happened is, bilaterally and now of course, we have to consider this as an alliance matter as well as a bilateral matter. We keep confronting new situations, and I think the answer that I've given may be interpreted as meaning that somehow we've been able to work these problems out and the result has worked well in everybody's eyes. We feel that the arrangements that were made in 1979, those were mutually agreed, and we are proceeding on that basis. But we're constantly talking not only about this but a variety of other issues as we move along in this process.

Q. Under what conditions would you ask the United States for joint control over the firing of these weapons?

Secretary Pym. The arrangements which Mr. Shultz has referred to are, in fact, joint decisionmaking. That has been the basis of our arrangement for the last 20 years, and those are the arrangements to which Mr. Shultz has referred. I've talked to him about the views that were expressed in the House of Commons and elsewhere, and he's quite right that these are matters that have been decided by the alliance and are considered in that context, as well as bilaterally.

Q. When you were nominated, you were explained as a highly educated Soviet expert. I am interested, are you going to change a policy toward the Soviet Union, because they are expecting so? A lot has been written about that possibility—that the relations between the Soviet Union and the United States are going to be better than during Nixon.

Secretary Shultz. The policy of the United States toward the Soviet Union—and I believe that broadly

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speaking it's the same policy that the North Atlantic alliance has toward the Soviet Union as I see it—consists of four parts.

First, that we must be realistic in our appraisal of what is taking place. The worst thing in the world you can do is allow wishful thinking to lead you into failure to realistically appraise what is taking place, so realism is the first point.

The second point is that in the face of the buildup and the level of Soviet strength and the demonstrated willingness to use it, as for example in the invasion of Afghanistan, tell you that to be successful you must be strong. To defend your own values and to defend peace and to defend liberty and freedom, you must be strong.

Third, in the kind of world we live in, with the awesomeness of the threats particularly that have been mentioned here earlier, we're all aware of, we must also be willing to be ready to solve problems and to work constructively for better relationships and for solutions to problems, and we are. We have negotiations taking place now as is well known in Geneva and Vienna and elsewhere. So we're ready to solve problems.

Fourth, that we do so in the belief that if these problems can get on their way to solution and a more constructive relationship emerges, we can all have a better world with less fear and many other better attributes. Now with new leadership of the Soviet Union we, and I think our allies, have all sought to underline the third point so that they wouldn't miss that it's there. But we should not allow ourselves because of our interest and desire for peace and for freedom and for constructive dialogue to lose sight of the importance of being realistic and being strong. Those are the keys to peace and freedom.

Q. At the end of your tour of Europe, do you now reckon that you have a clear policy umbrella governing relations with the Soviet Union and its allies, particularly on the economic front?

Secretary Shultz. I think we have long had, and continue to have, a very good strategy umbrella, if you want to call it that, in the form of the NATO alliance and it is strong, it is unified, it has cohesion, and, I think at least as I felt, as I said before, a lot of reassurance on that point. We have been struggling together to find a better sense of strategy—set of objectives—on the security aspects of East-West trade

and financial flows. And I do think now we have going, or propose to go, forward with a pretty unified view, a general unified view—the studies and the activities that we feel are the necessary ones to construct that strategy.

We think that one of the great benefits of getting an overall strategy identified is that we will minimize the problems that may be caused by misunderstandings which often go under the label of you didn't consult enough or we didn't consult with each other. We all know that there is an immense amount of conversation—there's no lack of that—and at least I feel what we need is some sort of overall set of objectives and strategy, then when we consult with each other, we have some standards against which to talk, and our consultation can be more purposeful and, therefore, more fruitful. I think we have got that identified now and will start in on constructing that study.

Q. If you have one overriding objective for 1983, what would that be?

Secretary Shultz. If you want to speak about it in broad terms, I think we are looking for peace with justice and prosperity. We haven't had any commentary here about the economic situation but I think we want to see the world economy expand and see progress in that sense. Those are our main objectives.

Q. Could you possibly be trying to help Prime Minister Begin with your recent attacks on Israel? If not, what is the public pressure in aim of?

Secretary Shultz. I have made no attacks on Israel, and I have made no comments designed to help or hinder or in any way be a part of the internal political flow of events and opinion in Israel. That is strictly for Israel to determine. I have not hesitated to say when I think something is wrong or that something is right.

Now when it appears to me that the requiring of university professors to sign special oaths, otherwise dismissed, came to my attention, I said I thought that was wrong, and I do think it's wrong.

I've also commented on the dismissal of mayors from the West Bank. It also was the case when moves were made to deny Israel credentials to the United Nations that in the United States, and I was pleased to speak for the President on this. We said that if the United Nations votes to do that, we will withdraw. We support Israel. So I think that we, I certainly and the President certainly, support Israel, the security of Israel, the purposefulness, the idea, and the ideal of Israel. I've been there; I know many people there, but that doesn't mean that no matter what Israel does or says, we're going to applaud it. I think we have to say if they do something we think isn't right. Maybe we're good enough friends to be able to say so.

Q. As a result of these talks this morning, has the situation in regard to control of the cruise missiles changed from what it was 2 nights ago when you were questioned about it in Parliament, and if not, is it likely to change in the future as a result of these conversations?

Secretary Pym. No, it hasn't changed. As Secretary Shultz said, we discussed this point, and I told him the views that were expressed in our debate the day before yesterday. And the fact of the matter is that the decision we took in 1979 was taken by the alliance and included these joint decision arrangements with the United States that had existed before. But anyway we discussed that aspect but we discussed many other aspects of INF [intermediate-range nuclear forces] and so there is no change in the situation. Is it likely to change? There is no particular likelihood of any change. As I say, we exchanged views about it but the position remains as it was.

Q. If I understood correctly, the readout of the meeting yesterday with the Lebanese Foreign Minister, he expressed concern that continued Israeli presence in Lebanon, in effect, was leading to annexation of part of Lebanon. Do you share that concern? Is there a real possibility?

Secretary Shultz. I didn't make that comment so I don't know where your readout comes from. I only made the comment about the sense of urgency, but I do think it must be a matter of concern, and I am not referring to the

meeting I had with the foreign minister that you have foreign troops in your country and they stay there and they stay there longer and they stay there longer and when they stay they get embedded and they have developed an infrastructure and so on. So this is one of the reasons why I think there is an urgency to getting the foreign forces out. Not just the Israeli forces; the Israeli forces are the most recent entrants. The PLO has been there for quite a long time, established a state within a state, and was very disruptive of the ability of Lebanon to operate as a country, and the Syrians have been there for a long time. So it's all foreign forces that we are seeking to get out of the country.

Economic Health of the Western Alliance

by Arthur F. Burns

Address before the Deutsche Atlantische Gesellschaft, in Bonn, Federal Republic of Germany, on December 9, 1982. Mr. Burns is the U.S. Ambassador to the Federal Republic of Germany.

I wish to thank the *Deutsche Atlantische Gesellschaft* for the opportunity to address your members and friends this evening. Since its establishment a quarter of a century ago, your society has faithfully supported the fundamental objectives of the North Atlantic alliance. You have never wavered in your devotion to peace or in your efforts to espouse the principles of individual freedom and democracy that constitute the moral foundation of NATO. In so doing, you have earned the gratitude of enlightened citizens of both your country and mine.

My purpose this evening, beyond expressing appreciation of your contribution to preserving international peace and freedom, is to discuss some of the economic issues that have recently been troubling the Western alliance. Economic factors inevitably have a significant impact on political attitudes that prevail in our respective countries, and they, in turn, can be decisive for the military effectiveness of the alliance. In view of the immense role of the United States in world affairs, I shall concentrate on the economic relations between the United States and its European allies. That these relations have been rather strained of late is a matter of common knowledge. That is reason enough for trying to see the American-European relationship in a sound perspective. Beyond that, it is vital to our alliance to consider how well its economic underpinnings are being maintained and protected.

Since the end of 1979, both the United States and Western Europe have been experiencing considerable economic sluggishness or actual recession. That Western economies are vastly stronger than the economies of the Soviet bloc is a matter of considerable importance, but

this can hardly justify complacency on our part. What needs to concern us is the state of our own economic health—how best to preserve and improve it. My first task this evening, therefore, is to examine briefly the sources of recent difficulties in the West.

The oil price shocks of 1973 and 1978 have certainly contributed to our economic problems. So too have other developments in the international marketplace, particularly the increasing challenge of Japan to some of our key industries as well as the new competition for a variety of Western manufactures from the more advanced of the developing nations. These external influences, however, have been less important for Western economies than difficulties of our own making.

During the early decades of the post-war period, the fiscal and monetary policies of Western democracies were highly successful in maintaining reasonably full employment and in improving social conditions. These very successes tempted governments during the 1970s to respond to the never-ending public pressures for governmental benefits by risking large budget deficits and easy money in the hope of expanding social welfare programs still further as well as attending to new environmental concerns. But by attempting to extract more and more goods and services from our economies without adding correspondingly to our willingness to work and save, we in the West inevitably released the destructive forces of inflation.

Under these conditions, it should not be surprising that tensions over economic issues have at times seriously tested the harmony that has generally characterized the political relations between the United States and its European allies. When our individual economies are booming, there is little pressure on governments from their business or agricultural communities to protest or counteract activities being pursued in other countries. Such pressures tend to mount, however, in times of economic adversity. Difficulties that would be passed over under prosperous conditions then take on some importance—occasionally even a large importance. Gentle voices of spokesmen of economic interests are then apt to become loud and strident, and even the

¹Press releases relating to this trip not printed here are Nos. 384 of Dec. 15, 1982, 391 of Dec. 16, and 403 of Dec. 28.

²Press release 371 of Dec. 8.

³Press release 372 of Dec. 9.

⁴Press release 373 of Dec. 9.

⁵The Greek delegation recalled its position on various aspects of this declaration [original in text].

⁶Greece reserves its position on these two paragraphs [original in text].

⁷Greece has expressed its views on this sentence which were recorded in the record of the meeting [original in text].

⁸Greece recalled its position on various aspects of this paragraph [original in text].

⁹Press release 375 of Dec. 14.

¹⁰Press release 376 of Dec. 14.

¹¹Press release 377 of Dec. 13.

¹²Press release 383 of Dec. 14.

¹³Press release 385 of Dec. 15.

¹⁴Press release 399 of Dec. 21.

¹⁵Press release 392.

¹⁶Press release 402 of Dec. 27. ■

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customary composure of academicians and high government officials tends to suffer. Human nature being what it is, that has been the usual experience of mankind, and we have not escaped it this time.

U.S. Monetary Policy

There is, first of all, the issue of American interest rates. There can be no dispute over the fact that these rates have been extraordinarily high in recent years. Nor can it be denied that they served to attract funds to the United States from other parts of the world, that this movement of funds tended to raise interest rates in some European countries, and that business investment suffered to some degree as a consequence. If European complaints had stopped at this point, no one could reasonably quarrel; but many Europeans, including prominent government officials, at times went further and either stated or implied that American interest rates were responsible for the economic troubles in their countries. That line of thinking overlooked the fact that high American interest rates could not be responsible simultaneously for the still higher interest rates in France and

curbing the growth of money supplies. It is, of course, true that the high interest rates were in large part a result of our restrictive monetary policy. That does not mean, however, that we sought high interest rates.

On the contrary, the immediate effects of the restrictive monetary policy on interest rates and economic activity were by no means welcome, but this policy did achieve its fundamental purpose of curbing inflation in the United States. Since 1979, when the consumer price level rose more than 13%, the rate of inflation has moved steadily lower. By coming down to less than 5% this year, the inflation rate in the United States is now one of the lowest in the world.

The success of monetary policy in subduing inflation eventually made it possible for American interest rates to move to lower levels—partly through the inner workings of the marketplace and partly through adjustments of policy. The slowing of inflation encouraged the authorities to reduce monetary restraints, and the deepening of recession impelled them to do so. Economic conditions in the United States were, of course, primarily responsible for the consequent decline of interest rates, but our monetary authorities were also

source of friction within the alliance virtually ceased being troublesome.

Another recent irritant to some members of the alliance was the stand taken by the American Government on intervention in foreign exchange markets. The effectiveness of such maneuvers in stabilizing foreign currencies had long been a subject of serious debate among financial experts, including central bankers. Nevertheless, governments of leading countries kept intervening with some frequency during the 1970s in the hope of smoothing out some of the short-run fluctuations in the exchange market. Being critical of these policies, the Reagan Administration announced soon after it came into power that, in its judgment, foreign currencies are best left to the free market and that it would, therefore, refrain from intervening except under highly exceptional circumstances. Not a few financiers and government officials welcomed this decision, and even some who questioned it were more concerned with the political consequences of nonintervention than with its intrinsic economic merits. There were, nevertheless, some determined European critics of the new American policy, and they made their influence felt—most notably at the summit meeting held last June at Versailles.

While Americans held to their basic position at that meeting, they did propose that a committee of international experts study the results of past experience with intervention. By agreeing to such a study, all participants tacitly admitted the possibility that some of their views on intervention might need to be revised. Since then, the United States has gone further in the direction favored by its critics by actually intervening several times—albeit on a modest scale—in the market. There is reason for hoping that the foreign exchange study now under way may further contribute to narrowing the differences between the United States and some of its allies. And if goodwill should be aided by good fortune, so that both interest rates and inflation kept coming down in our respective countries, the fluctuations of exchange rates would, of themselves, narrow and thus reduce both the impulse to intervene and the inclination to fret over the issue.

Economic Relations With the U.S.S.R.

A far more serious conflict between the United States and its allies was stirred by the decision of several European

Economic conditions in the United States were, of course, primarily responsible for the consequent decline of interest rates, but our monetary authorities were also mindful of the benefits that the lower rates could bring to Europe.

the drastically lower interest rates in Japan. Needless to say, factors indigenous to individual countries—among them, the propensity of the public to save and the state of governmental budgets—always exercise some influence on interest rates.

Much of European criticism of American interest rates also stemmed from a misunderstanding of American policy objectives. Seeking to end the havoc wrought by inflation, our authorities proceeded on a principle that has been tested across the centuries—namely, that stoppage of inflation requires

mindful of the benefits that the lower rates could bring to Europe. Since last year, when the rate that commercial banks charge their prime borrowers reached 21.5%, the prime rate has fallen to 11.5%. Open-market, short-term rates have been cut in half. Long-term rates on corporate bonds and home mortgages declined less, but they too have fallen materially. The greater part of these interest rate adjustments has occurred since June, and European rates followed American rates downward—although not to the same degree. As these financial developments unfolded, Europeans joined Americans in wishing that interest rates would move even lower, but what had previously been a significant

countries to support the construction of a Siberian natural gas pipeline. This conflict reached a climax when the American Government, feeling morally outraged over the Soviet Union's role in suppressing the newly won freedoms of the Polish people, proceeded to forbid shipments by American firms of materials and equipment needed to build the pipeline. This prohibition was later extended to European subsidiaries and licensees of American firms. These actions led to acrimonious charges and debates, and some political observers on both sides of the Atlantic felt that American reaction to the crisis in Poland may have given rise to a crisis of the alliance.

That danger, fortunately, was surmounted. Not only was damage to the alliance kept down, but the pipeline controversy actually helped to steer Western thinking about foreign policy onto a sounder track.

In the course of pondering the sanctions imposed against the Soviet Union, the American Government undertook a review of Western economic relations with the Soviet Union in the hope of developing a policy that, unlike the pipeline sanctions, could prove of lasting benefit to the alliance. It soon became clear that this would require more resolute dealing with elements of incoherence in Western foreign policy. The reasoning that led to this conclusion was straightforward. On the one hand, NATO countries were devoting, year after year, vast resources to our common defense against the Soviet threat. Simultaneously, however, partly through private banks and partly through government agencies, we in the West kept lending during the past decade vast sums of money to the Soviet Union and its satellites. At times, this was even being done at subsidized interest rates. In view of the high priority that the Soviet Union assigns to its military establishment, the financial resources that the West so liberally put at the disposal of the Soviets thus indirectly helped to strengthen their already formidable military establishment. To make matters worse, the Soviet Union continued to take advantage of the weaknesses in our controls on the export of militarily related products and technology.

These considerations were persistently pressed by the American Government on its allies during the past

year. For a time, they were resisted by European governments, partly because of displeasure over the pipeline sanctions, partly also because of concern that the American initiative could lead to an East-West trade war. But as the American Government made clear that its basic aim was simply to steer Western policy onto a path that was more consistent with allied security interests, controversy and recrimination gradually yielded to quiet voices of reason.

On November 13, President Reagan was able to announce that agreement had been reached on the need to consider allied security issues when making trade arrangements with the Soviet Union. More specifically, the United States and its partners agreed:

First, that new contracts for Soviet natural gas would not be undertaken during the course of an urgent study of alternative sources of energy;

Second, that existing controls on the transfer of strategic items to the Soviets will be strengthened;

Third, that procedures for monitoring financial relations with the Soviets will be promptly established; and

Fourth, that the allies will work to harmonize their export credit policies.

In the eyes of the American Government, these measures will promote allied interests more effectively than the pipeline sanctions. The President, therefore, concluded his statement by announcing their removal. Long and difficult negotiations on ways of carrying out the agreed measures are undoubtedly still ahead of us, but the pipeline crisis as such has fortunately come to an end.

Defense Burdensharing

In other areas of economic policy—particularly defense burdensharing and trade issues—the United States continues to have major differences with its European partners. Difficulties of this type have troubled the alliance almost from its beginning; and, in one form or another, they are likely to remain troublesome in the years ahead. Even here, however, we have generally managed to work out our problems, and we have had some limited successes during the past year that are noteworthy.

The distribution of defense burdens among allies inevitably raises difficult questions of equity. Many Americans,

especially Members of Congress, have long felt that the United States is bearing an excessive part of the heavy costs of the alliance. In view of the financial stringency that has developed in my country, such criticisms of Europe have recently intensified. Our NATO partners usually respond by reminding us that their spending on defense rose steadily during the 1970s while real American spending kept falling off. That is entirely true, but it does not tell the whole story. Official statistics indicate that defense spending reached 7.9% of the gross domestic product in the United States during 1970. The highest corresponding figure for each of our major allies fell short of 5% in that year. While the defense outlays of the United States decreased during the 1970s, this gap has never been closed. Confronted with these facts, European governments are inclined to observe that monetary figures fail to capture all costs involved in the defense area, particularly the conscription of soldiers that exists in most of their countries. Such remonstrances, however, are not always accepted by Americans, as the lively discussions that have been resounding in our congressional halls indicate.

Whatever the merits of ongoing debates among members of the alliance, the Reagan Administration recognizes that some of the military proposals now before Congress would seriously weaken the alliance. Not only that, they would also encourage the Russians to remain unyielding in the vital arms control negotiations now under way in Geneva. Those dangers have not escaped the attention of European leaders. In fact, many Europeans have long shared the widespread American belief that Europe is not doing enough for its own or for the common defense. Financial stringency is nowadays no less a problem in Europe than in the United States. In spite of that, the German Government has recently taken steps that should help Americans to see the problem of defense burdensharing in a better perspective. Several months ago the Federal Republic of Germany signed a treaty with the United States under which it agreed to commit 90,000 reservists in support of American combat forces in the event of war. More recently, Minister Manfred Woerner announced that the new German budget provides a significant additional contribution for constructing vital NATO military

facilities in Europe. These measures had long been urged by Americans on the German Government. The fact that they have been adopted at a difficult time should certainly help to quiet American concerns.

International Trade

Differences between the United States and its allies over international trade issues also have a long and checkered history. From the end of World War II through the 1970s, the broad trend of Western policy has been toward increasing liberalization of international trade and investment, and there can be little doubt that this trend contributed enormously to the prosperity of the West and other parts of the world. While the United States led the world toward an open trading system and unrestricted foreign investment, this policy—except for agriculture—was generally supported in Europe, particularly in the Federal Republic of Germany. Unfortunately, but not surprisingly, the deep recession of recent times has by now stirred up strong protectionist sentiment in many European countries and also in the United States.

The Reagan Administration has stoutly resisted congressional moves toward protectionism—thus far with considerable although incomplete success. During the recent ministerial meeting of the parties to the General Agreement on Tariffs and Trade, the United States fought especially hard for an unequivocal commitment by the world's trade ministers to phase out existing measures restricting international trade and to refrain from taking new restrictive measures. The debates over this principle and on specific trade issues were protracted and at times bitter, but, at the end, American initiatives brought only modest results. Assuming professorial garb, Mr. [William E.] Brock, the American trade representative, judged the result as deserving hardly more than a grade of "C"—an assessment that few informed observers have questioned.

From an American viewpoint, the most disappointing aspect of this meeting was the failure to convince the European Economic Community to modify some aspects of its agricultural policy. For many years the Community

has maintained farm prices above the world level. Surpluses therefore developed, and in order to move them into world markets the Community subsidized their export. As long as this policy was confined to protecting farm sales within the Community, the United States accepted it—although not without protest. But once the subsidization led to large exports to third-country markets, a more serious problem arose for American farmers and agricultural exporters of other countries. With farm incomes in the United States currently at their lowest level since the 1930s, American protests against the Community's agricultural policy have become

The Reagan Administration has stoutly resisted congressional moves toward protectionism—thus far with considerable although incomplete success.

increasingly insistent. The Community, however, has refused to budge, maintaining, among other things, that the issue of its subsidies had already been settled in earlier negotiations.

This and other arguments of the Community have not softened American attitudes; and unless this agricultural controversy is soon settled, there is a serious possibility that the Congress will pass retaliatory legislation next year. This would be so damaging for both the United States and Europe that I continue to believe that some mutual accommodation will be worked out.

Such a result, indeed, was achieved in connection with another trade dispute that for a time resisted every attempt at resolution. For many years the world steel industry has suffered from excess capacity and, as so often happens under such conditions, various countries—including some in Europe—made export subsidies available to their steel producers. As a consequence, large quantities of steel produced with the benefit of government subsidies have penetrated the American market in recent years. American steel manufacturers, who do

not receive subsidies, sought to limit this vexing competition. They took advantage of a law that enables an industry to veto certain governmental efforts to work out trade arrangements with other countries. Despite this formidable obstacle, the American Government finally reached an agreement with the European Commission that imposes moderate quotas on exports of various steel products to the United States.

To me, as to other confirmed free traders, this agreement has brought little joy. However, the practical choice that both Americans and Europeans faced in this instance was not between protectionism and free trade, but rather between degrees and kinds of protectionism. If the negotiations on steel quotas had failed, existing American law would have required prompt imposition of punitive duties on steel imports. Worse still, it seemed likely that in that event the Congress would legislate still more drastic protectionist measures. The negotiated settlement clearly violated the salutary principle of free trade, but it also forestalled more serious consequences. To this extent, it is not only a tolerable arrangement, but one that has served to reduce political tensions between the United States and its allies.

Economic Outlook

The conclusion that I feel can justly be drawn from my review of the recent steel and other economic disputes within the alliance is reassuring. To be sure, there have been excesses of political rhetoric on both sides of the Atlantic and, occasionally, misguided actions as well. Nevertheless, the United States and its European allies have succeeded in working out—or at least in muting—most of their troublesome differences over economic issues. Our ability to accomplish this mutual accommodation under difficult conditions demonstrates that the moral, political, and security interests that unite us are strong enough to overcome even divisive economic issues. That, at any rate, has proved to be the case thus far, and from that we can surely draw encouragement for the future.

We must temper, however, any feeling of optimism that international economic conditions will improve so much in the near future that they will be unlikely to cause or intensify political

strains within the alliance. It is by now widely recognized that the weakness of the international economy during the past 3 years is the aftermath of the inflationary pressures released during the 1970s. It is not so clearly understood, however, that our recent economic difficulties reflect more than the normal vicissitudes of the business cycle. They reflect also a certain loss of business dynamism—that is, a gradual weakening of the underlying forces of economic growth in the Western world.

Liberal fiscal and monetary policies had served us well over a long generation in fostering full employment and improving the social environment. They might have continued to work beneficially if they had not been carried to excess. But, unfortunately, traditional rules of financial prudence were thrown to the winds. As a result, our Western economies have become so highly sensitive to the dangers of inflation that liberal financial policies can no longer be counted on to perform their earlier constructive function.

Of late, government and business thinking in the Western world has focused on creating an environment that is more conducive to business innovation and private capital investment than it has been in recent years. Responsible leaders in our respective countries frequently emphasize not only the need to practice moderation in the monetary area, but also the need to bring about some reduction from the high levels that both government spending and taxes have reached relative to the size of our respective national incomes. Even France, which moved for a while in another direction, has recently adopted a rather restrictive monetary policy, besides announcing the intention to restrain further expansion of budgetary deficits. With earlier economic policies now in general disrepute in the West, and the newer policies not yet fully tested, deep concern about the economic outlook has spread during the past year or two in the United States as well as throughout Western Europe.

Such pessimism can be overdone. In the United States, at least, the aggregate output of the economy has remained virtually unchanged during the past 6 months or so, and there are now numerous indications that the groundwork for recovery has been laid. As

noted earlier, both inflation and interest rates have come down sharply. Stock and bond prices have risen dramatically, thereby adding hundreds of billions of dollars to the net worth of individuals and business entities. Of late, consumer spending for goods and services has increased modestly. Residential construction has been moving upward again this year; home sales have recently revived; and the financial condition of mortgage-lending institutions has improved. The upward climb of wages has slowed materially; industrial productivity has recently perked up; and corporate profits have begun to increase. These improvements have been offset thus far

throughout the West must now realize that their lending policies, both at home and abroad, were excessively liberal during the 1970s. They will consequently be more cautious lenders—perhaps excessively cautious lenders—in the years immediately ahead.

Third, many of the less developed countries—not only Mexico, Brazil, and Argentina, which lately have figured so heavily in the press—are at present unable to make timely payments of the interest or principal that is due on their overextended indebtedness.

These financial difficulties constitute a grave, but I believe still manageable,

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by sharp deterioration of merchandise exports and business investment in new plants and equipment. Nevertheless, it seems likely that a gradual recovery of aggregate production and employment will get under way in the United States within the next few months.

With the possible exception of Great Britain, the immediate outlook for Europe is less favorable, in large part because of the greater rigidity of its labor markets. But it is reasonable to expect that any improvement in the American economy also will be felt before too many months pass in Western Europe.

Unemployment, nevertheless, will remain high in the West for an uncomfortable period, since the pace of recovery is likely to be slow in the present instance. There are compelling reasons for this gradualness.

First, there are as yet hardly any signs that contracts for business construction or orders for business equipment have begun to increase either in the United States or in Western Europe.

Second, most of the larger banks

danger to the international banking system. Under the best of circumstances, however, great austerity will need to be practiced in many of the less developed countries, and their reduced imports will inevitably restrict the pace of Western economic recovery over the next 2 or 3 years, if not longer.

If my assessment of the economic outlook is anywhere near the mark, political tensions on account of economic difficulties may well continue to trouble the alliance. To make progress on economic issues in the years immediately ahead, it is particularly important that every country avoid "beggar-thy-neighbor" policies. We cannot afford to think in terms of winners and losers when it comes to solving our common problems. It is essential, therefore, that member countries of the alliance mobilize the vast economic and political statesmanship that is at their disposal. Cooperation among economic ministries, finance ministries, central banks, private

commercial banks, and international financial agencies, which has not always been close, must become very much closer. The heads of Western governments, who thus far have been reasonably successful in controlling the disease of protectionism, must work still more earnestly toward this vital objective. Meetings among members of the foreign policy and defense establishments of the alliance must occur still more frequently and become more thorough, as well as more timely, so that misunderstandings among their governments are kept to a minimum.

These, ladies and gentlemen, are the paths to confidence in the security and prosperity of the industrial democracies that are joined in the brotherhood of the Atlantic alliance. ■

Visit of Portugal's Prime Minister



White House photo by Michael Evans

Prime Minister Francisco Pinto Balsemao of the Republic of Portugal made an official visit to Washington, D.C., December 14-15, 1982, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and Prime Minister Balsemao following their meeting on December 15.¹

President Reagan

Prime Minister Balsemao and I first met last June at the NATO summit in Bonn. This, however, has been our first opportunity to talk at length, and we've had a lot to discuss. Our exchange was exceptionally useful and harmonious. After these discussions it's now even more clear why our two countries have been such hard-and-fast allies for so many years.

The relationship between Portugal and the United States is one of common values, mutual respect, and broad cooperation. In our meeting and the working lunch which followed, we covered a broad range of international topics and found substantial agreement.

Among other subjects, we discussed our defense cooperation, which goes back many years. We're now in the process of negotiating a new security cooperation agreement to broaden and strengthen our collaboration on our common defense objectives.

Portugal and the United States share a common responsibility for the defense of the West. And our security

relationship is important to both countries, as well as to the NATO alliance. The prime minister has explained to me the various military modernization needs of his country, and I have reaffirmed the U.S. commitment to help Portugal to meet these goals.

We also discussed the economic assistance which the United States has provided to Portugal over the years. This continuing assistance is an important expression of our desire to befriend and help the Portuguese people. We agreed that the current negotiations on the security cooperation agreement should lead to an early and mutually satisfactory conclusion.

We also discussed each country's initiatives in southern Africa and the unique perspective that Portugal brings to these issues, especially in view of its historic ties with Angola and Mozambique. The prime minister and his government have been most generous in sharing with us some valuable insights drawn from their extensive experience in the area. We shall continue to consult our Portuguese friends in the future.

Finally, and perhaps above all, as one democratic leader to another, I've expressed to the prime minister my personal admiration and that of all Americans for the continued progress of democracy in Portugal. The Portuguese experience has shown how, given a chance, people will choose freedom. That the progress worked so well in Portugal is a tribute to the Portuguese people with their love of freedom, their high ideals, and high civic and political responsibility.

We're delighted with their success, and we certainly are proud to continue calling them friends and very happy to welcome the prime minister here today.

Prime Minister Balsemao

I'm thankful to President Reagan for the invitation he addressed to me to come to Washington, providing a timely opportunity to discuss bilateral relations between Portugal and the United States and to exchange views on international items and matters of mutual interest.

The summary of our talks was brilliantly given by the President, and so this allows me to concentrate only on some of the points which were raised.

First, I would like to fully endorse the President's assessment of our relationship and of the principles on which it is based. It is not by sheer coincidence that a sound friendship between Portugal and the United States has existed for 200 years. And it is still showing a dynamic vitality, as we all know and as this visit demonstrates. We in Portugal look forward to working in close cooperation with the United States and for that effort we count very much on the strong Portuguese-American community living and working here in the United States.

Our interests and concern about the evolution of the situation in southern Africa has led us to express our viewpoint that peace and stability in that area can be achieved only through balanced economic development and respect for the security of all countries concerned. I was also very interested in hearing the President's assessment of his recent trip to South America and in exchanging views on this region, which

is also of particular interest for Portugal.

I had the opportunity to fully brief the President on the recent political evolution of the situation in Portugal, on our economic situation, also, and on the development of our negotiations to join the European Economic Community. In the present political stability of my country, opens new perspectives for more cooperation and more constructive cooperation with the United States and with the free world.

We also discussed in detail our security cooperation regarding which we have been engaged in extensive negotiations. These talks have now reached an important stage as we have just begun to renegotiate the Azores agreement. Portugal is a reliable partner which wants to fully assume its responsibilities in security terms, expects within this context a clear understanding from its American alliance.

¹Made to reporters assembled at the South Portico of the White House (text from Weekly Compilation of Presidential Documents of Dec. 20, 1982). ■

11th Report on Cyprus

MESSAGE TO THE CONGRESS, NOV. 30, 1982¹

In accordance with the provisions of Public Law 95-384, I am submitting the following report on progress made during the past 60 days toward reaching a negotiated settlement of the Cyprus problem.

Intercommunal negotiations resumed on November 9 following a one and one-half month recess and continue to focus on various elements of the U.N. Secretary General's evaluation document. The two parties remain committed to these U.N.-sponsored talks and to working for progress in this forum. We continue to believe that it represents the most fruitful course for negotiating progress. The parties are engaged in a genuine dialogue which has made it possible for each side to define its positions.

On October 6, Secretary Shultz and Cypriot President Kyprianou met in New York during the United Nations General Assembly and exchanged views on efforts to reach a settlement to the Cyprus problem. In

addition, Mr. Christian A. Chapman, a senior Foreign Service Officer newly appointed by the Secretary of State as U.S. Special Cyprus Coordinator, traveled in early November to Cyprus where he met with President Kyprianou, Turkish Cypriot leader Denktash, the intercommunal negotiators, and U.N. Special Representative Gobbi. Mr. Chapman will coordinate our support for the efforts of the Secretary General and Ambassador Gobbi.

I wish once again to affirm my commitment, and that of this Administration, to the search for a just and lasting solution to the problems of the people of Cyprus.

Sincerely,

RONALD REAGAN

¹Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Charles H. Percy, chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of Dec. 13, 1982). ■

Day of Prayer for Poland

A PROCLAMATION¹

December 13 will mark one year since the Polish military authorities, under intense Soviet pressure, put an end to Poland's experiment in peaceful change. During this year, the military authorities, employing force, have intimidated and ultimately dissolved the free trade unions with which the Polish Government had signed solemn accords but a short time before. Thus, a genuine labor movement was suppressed by a government of generals who claim to represent the working class. Their victory, such as it is, can only be a seeming one. The brave people of Poland have learned during a century and a half of foreign occupation to maintain their national spirit and to resist succumbing to coercion. We are not deceived for an instant that the silence which has now descended on expressions of free opinion in Poland reflects in any way the actual state of mind of the Polish people. The censored press and media do not speak on their behalf. Solidarity may be technically outlawed but its ideals of free trade unionism and nonviolent change will never be destroyed.

This weekend offers Americans a special opportunity to honor the Polish people and to demonstrate our support for their struggle for the right to determine their destiny without interference by dictatorships, supported and incited from the outside.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate December 12, 1982, as A Day of Prayer for Poland and Solidarity With the Polish People.

I invite the people of the United States to observe this day by offering prayers for the people of Poland and by participating in appropriate ceremonies and activities to demonstrate our continuing support for their aspirations for greater freedom.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of December, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and seventh.

RONALD REAGAN

¹No. 5004 of Dec. 10, 1982 (text from Weekly Compilation of Presidential Documents of Dec. 13). ■

Bill of Rights Day, Human Rights Day and Week, 1982

A PROCLAMATION¹

On December 15, 1791, our Founding Fathers celebrated the ratification of the first ten Amendments to the Constitution of the United States—a Bill of Rights which from that moment forward helped shape a nation unique in the annals of history. The Bill of Rights became the formal and legal expression of our liberties and of the principles embodied in the Declaration of Independence.

The Founding Fathers derived their principles of limited government from a belief in natural law, that is, the concept that our Creator had ordained a framework for society giving great importance to individual freedom, expression, and responsibility. They held that each person had certain natural rights bestowed on him by God. As Jefferson put it, "The God who gave us life gave us liberty."

It is with glad hearts and thankful minds that on Bill of Rights Day we recognize and honor this great gift of liberty bequeathed to posterity by the Founding Fathers.

One hundred and fifty-seven years later, on December 10, 1948, the United Nations adopted the Universal Declaration of Human Rights. By jointly celebrating this anniversary with Bill of Rights Day, we acknowledge the necessary link between human rights and constitutional democracy. As stated in the Universal Declaration, we must staunchly pursue our conviction that freedom is not the sole prerogative of the fortunate few, but the inalienable and universal right of all human beings. Throughout history and from all parts of the globe, man's instinctive desire for freedom and true self-determination have surfaced again and again. Democracy has provided the best and most enduring expres-

sion of man's search for individual rights.

We can point to many nations in the world where there is real progress toward the development of democratic institutions. The people of some of those countries have fully demonstrated their commitment to democratic principles by participating in elections under difficult and even life-threatening circumstances. Such displays of courage can only inspire confidence in the future of democracy for all people.

But in December of 1982 our satisfaction in the progress toward human rights is darkened by our realization that one year ago, on December 13, 1981, the Polish military government took steps to extinguish the flames of liberty ignited by Solidarity. As that totalitarian regime moved to crush Solidarity, it laid siege to the dreams and aspirations of a whole people reaching out for freedom, independence, and essential human dignity. The tragedy of the iron suppression of the Polish people transcends the borders of that land and reaches into the hearts of all of us who care for the rights and well-being of people everywhere.

On these important anniversaries let us remember the great and abiding love of freedom that dwells perpetually within the heart of mankind. And let us also hope and pray that the blessings of liberty will one day be shared by all people.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim December 10, 1982, as Human Rights Day and December 15, 1982, as Bill of Rights Day, and call on all Americans to observe the week beginning December 10, 1982, as Human Rights Week.

IN WITNESS WHEREOF, I hereunto set my hand this 10th day of December, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and seventh.

RONALD REAGAN

¹No. 5003 of Dec. 10, 1982 (text from Weekly Compilation of Presidential Documents of Dec. 13). ■

Human Rights Policy

DEPARTMENT STATEMENT, DEC. 10, 1982¹

This Administration has begun to implement a program of positive human rights policy, which complements the essentially reactive approaches which are being made regarding specific abuses. The President's initiative on democracy is a manifestation of this positive track of human rights policy. The U.S. Government recognizes that human rights conditions are best in democracies and that democracy is the only guarantee of human rights over the long haul. We believe it is essential to support the development of democracy by encouraging the proponents of democracy and by helping to build the infrastructure of democracy in nondemocratic countries.

The Administration's human rights policy is characterized by a sense of realism, a sense of the possible. While the possible may not appear as laudable as the desirable, that is, while what we can in reality accomplish in human rights may not appear to be very much in comparison with what we would like to do, we are continually making government-to-government efforts to promote human rights. This includes frequent approaches to governments in countries which have human rights problems of major interest to human rights groups.

We avoid public rhetoric whenever we think diplomacy will accomplish more, while rhetoric would damage our ability to attain concrete results. We seek to maintain a productive working relationship with friendly governments in order to be more effective on human rights issues in private.

¹Read to news correspondents by acting Department spokesman Alan Romberg. ■

Visit of Jordan's King

His Majesty King Hussein I of the Hashemite Kingdom of Jordan made an official working visit to Washington, D.C., December 18-23, 1982, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and King Hussein after their meetings on December 21 and 23.¹

DEC. 21, 1982

President Reagan

One of the nicest customs in the Middle East is the traditional greeting, "Peace be upon you." King Hussein's visit with us comes at a time of the year when thoughts of peace are very much in our minds. And in our meeting today, His Majesty and I have had a chance to reaffirm personally the continuing friendship between our two countries and to share with each other our hopes and dreams about our common goals of a just and lasting peace in the Middle East.

As trusting friends, we've spoken to one another as we always do—with candor and good will. And I told the king of my personal commitment to see peace in the Middle East become a true and lasting reality and of my equally deep commitment to the proposals that we made September 1st to Israel, to the Palestinians, and to the Arab states.

I also expressed America's gratitude to the king for his own important actions in support of our initiative over these past few months. His Majesty eloquently described his vision of peace and reviewed for us what he's been doing to help give peace a chance to take root, particularly his efforts to encourage the Palestinians to join him in efforts to take bold steps toward peace.

Together, we've also shared our thoughts on what remains and must be done by each and all of us to give life to this common goal. We share a sense of urgency to succeed at this commitment. Our discussion today has led to further meetings between our staffs over the next 2 days, and I look forward to meeting with the king again before he leaves Washington.

King Hussein

I thank you for the warmth of your welcome, for the privilege and pleasure I and my colleagues have had of meeting with you and with our friends, and for the opportunity to discuss many problems of mutual concern and interest and many challenges that lie before us.

We look forward to continuing our discussions in the coming days, and this is an opportunity for me to reaffirm a long-life commitment for the establishment of a just and durable peace in the Middle East. May we hope and pray that we will succeed in making a contribution for a better future for generations to come in our part of the world and for the cause of world peace.

We'll continue to do our utmost, and we value very much, indeed, the atmosphere of friendship, honesty, and candor that has characterized our relations and particularly the friendship that exists between us. I thank you very, very much, indeed, for your many kindnesses and for the privilege and pleasure of being with you and with our friends.

DEC. 23, 1982

President Reagan

We've had extremely—and productive talks, and I think we've made significant progress toward peace. We have initiated a dialogue from which we should not consider turning back.

Much work remains to be done, and the road ahead is tough. But it's the right road, and I remain optimistic that direct negotiations for a just resolution of the Palestinian problem in the context of a real and enduring peace is within our reach.

Your visit has served as a reminder that the bonds of friendship that link Jordan and the United States are as strong as ever. And I am gratified as well by the warmth and goodwill which characterizes our personal relationship.

I hope we can build on these bases in the weeks and months ahead to achieve the objective—enduring peace—which we and our people so fully share.

I wish you a safe trip and look forward to our next meeting.

King Hussein

I thank you once again for the privilege and pleasure I've had, together with my party from Jordan, of meeting you and



(White House photo by Karl Schumacher)

being with our friends at this very important historical point in time in terms of our common hopes, in terms of the future of the area I come from and the future of generations to come.

To the skeptics, I would like to say that it has been, in my view, a very successful visit. I believe that we have an understanding of each other's views better than at any time in the past.

I can also seek to advise our friends that Jordan has been committed for the cause of establishing a just and durable peace. It has been our record since 1967. This was reemphasized by the first summit, representing the view and the consensus of the entire Arab world. And I hope that I've been able, on this visit, to assure you and our friends of our determination to do all in our power for the establishment of a just and durable peace in the Middle East.

We will go back to our area. We will be in close contact over the coming period with our brethren there. There is much that we will take back with us. And we hope to be in touch again—I hope to have the privilege and pleasure of being with you before too long.

Rest assured of our commitment to the cause of future generations, their rights to live in peace and security in our entire area. I hope that we can contribute our share for a better, safer, more stable life for generations to come in the Middle East.

Thank you so much for your many kindnesses and your warm welcome. And may I also wish you a very Merry Christmas and a very Happy New Year.

¹Texts from White House press releases. ■

U.S. International Narcotics Control Policy in Southeast Asia

by Dominick L. DiCarlo

Statement before the Subcommittee on Crime of the House Judiciary Committee on December 14, 1982. Mr. DiCarlo is Assistant Secretary for International Narcotics Matters.¹

The international narcotics control policy of the U.S. Government, endorsed by the President and the Secretary of State, is expressed in the recently released Federal strategy. This policy contains four basic elements:

- The major narcotics producer nations are all signatories to the Single Convention on Narcotic Drugs, under which each country has responsibility for controlling the cultivation, production, and trafficking in narcotics.

- The international community should assist those nations which need help in controlling production and distribution of illicit substances.

- Crop control, which can be achieved through government bans, chemical or manual eradication at the source, or controlled reductions to legitimate quotas, is the most effective, efficient, and economical means of reducing the availability of opium, cocaine, cannabis, and their derivatives. Our corollary policy for the psychotropic drugs, which are controlled by a separate international convention, is to seek limits on imports and exports and to curtail illicit diversion.

- Narcotics-related economic assistance, by the U.S. Government or international organizations, should be conditioned on concurrent agreements on the control of narcotics production.

When implementing these policies, there are a number of considerations which affect and influence our program strategy for each country and worldwide. The principle considerations, all of which are relevant to our strategy for Southeast Asia, are:

- While there have been notable achievements in crop control and interdiction efforts, these successes, in recent years, have been marginal in terms of reducing worldwide availability of heroin, cocaine, and marijuana.

- Interdiction efforts, which include arrests, seizures of drugs in transit, and capturing of financial assets are not adequate in terms of worldwide impact, given current levels of production and profitability.

- Comprehensive crop control programs are not now politically negotiable or operationally feasible in every producer country.

- Both producer and transit nations are increasingly impacted by domestic drug abuse problems—as are the major industrialized, consumer nations—factors which present improved opportunities for both control agreements and increased international support.

SOUTHEAST ASIA

Production

Opium and heroin are the target drugs for both U.S. and foreign government control activities in Southeast Asia. Two successive droughts significantly lowered Southeast Asian production from its estimated levels of 550–660 metric tons per year to an estimated 180 metric tons in 1979 and 210 metric tons in 1980, resulting in steep price increases for opium at the farm gate and the displacement of Southeast Asian heroin in both European and American markets.

However, we estimate that, with excellent growing conditions in the 1980–81 and 1981–82 crop years, Golden Triangle production may have reached record harvests of 600 to 700 tons.

The changing market profile for Southeast Asian heroin is shown in the following chart.

Production of 1976–82 Metric Tons of Opium*

	1976	1977	1978	1979	1980	1981	1982
Burma	400	300	325	125	160	500–600	500–600
Thailand	50	45	70	17	12	50	60–70**
Laos	60	50	50	40	40	40–60	50
Total	510	395	445	182	212	590–710	610–720

*Year to year comparisons of estimates may be useful in identifying trends, but these data reflect ongoing refinements of estimating methodologies.

**The Thai production estimates for 1979–82 were based on a comprehensive aerial survey, rather than on an estimative methodology.

These data, when fitted with reports from other growing sectors, especially Mexico and Southwest Asia, underscore critical points about the U.S. heroin market.

In the years following the peak importation of 7.5 tons of heroin in 1975, the United States experienced a decline in heroin imports, due in part to declining demand and concurrent with the successful Mexican opium poppy eradication program and to the drought in Southeast Asia. These latter supply factors altered the profile of U.S. imports. In 1979, Southwest Asia surpassed Southeast Asia as the prime source of U.S. heroin and has, subsequently, dominated the U.S. market. Total imports of heroin from all sources have stabilized at approximately 4.5 tons of heroin per year. While drought, low prices, and a government ban on cultivation sharply reduced Pakistani production in 1980, 1981, and 1982, there is still a considerable stockpile from a 1979 Pakistani harvest of 700–800 tons and a continuing flow of opium from Afghanistan.

Thus, with this current increased Southeast Asian availability, there is, at least, the possibility of increased importation from all three sectors—including Mexico—where cultivation has reportedly expanded. There are indications that traffickers connected with Southeast Asian producers are attempting to recapture markets in the United States and Europe, while expanding markets in Southeast Asia, and seeking new markets in Australia and New Zealand. At present, an estimated 10% of heroin imported into the United States originates in the Golden Triangle; the prediction is that this figure will increase to 15% in 1983. Southeast Asian heroin dominates the Canadian market, and its availability there is increasing.

Lessons can be inferred from these data.

First, despite some expansion in crop control and increased interdiction

efforts, the U.S. heroin market remains vulnerable to changes in production levels and distribution patterns—which, like the droughts in the two Asian areas, are more influential at present on that market than our enforcement efforts.

Second, to achieve our ultimate objective of reducing heroin imports into the United States, international narcotic control activities must be directed comprehensively and simultaneously at all three of the major opium-producing areas.

Third, greater emphasis must be placed on crop control, given the limitations on interdiction and other enforcement efforts to cope with production at these levels.

Fourth, given political and economic realities, we must recognize that control of production in Southeast Asia will not be easily or quickly achieved.

Growing Areas

Opium is grown in northern Thailand, the Shan State of eastern Burma and the Kachin State of northeastern Burma, and western Laos—the area known as the Golden Triangle. The United States has had limited information about Laotian narcotics activity since the formation of the Socialist Government, and, except as specifically noted, the references to the Golden Triangle in the ensuing discussions pertain to Burma and Thailand.

The opium growing areas of all three countries of the Golden Triangle are largely remote, trackless, and rugged, inhabited by ethnically distinctive tribal people—hill tribes which have grown opium for decades as their major cash crop. These hill tribes people—Shan, Kachin, Karen, Lisu, and Lahu, among others—have historically practiced a “slash and burn” method of agriculture which exhausts the soil and destroys the natural erosion control of trees and plants so that much of the area is no longer arable. In addition to providing a guaranteed, although labor intensive, cash crop, opium has historically satisfied their medicinal requirements.

In Thailand the principal opium growing areas are in Chiang Mai, Chiang Rai, Mae Hong Son, and Nan Provinces, with lesser amounts grown in adjacent northern provinces. The Burmese area of intensive cultivation spans a region of mountains and jungle encompassing most of the Shan Plateau running from the eastern Kachin State along the China border down nearly 600 miles into the Kayah State, with the

most intensive area of cultivation east of the Salween River and north of Kengtung. This area has traditionally provided a stable, cheap, and plentiful supply of opium for the international market.

Trafficking Organizations

Trafficking in opium in the Golden Triangle is controlled by various ethnically based insurgent, revolutionary, and warlord groups. The Burmese Communist Party (BCP), the Shan United Army (SUA), the Lahu National Liberation Army, and others have turned increasingly to narcotics production and trafficking to finance their activities. Several of these groups control the refining of opium into heroin.

Warlord armies control the majority of the narcotics trafficking in the Golden Triangle and the refining in the Thai-Burma border area. Most of these groups masquerade as ethnic insurgents,

were forced out of Burma in 1961. These groups, which are currently estimated to have 2,500–3,000 men in arms, are the remnants and descendants of nationalist Chinese groups which retreated into Burma and Thailand from 1948–1952. In 1972, the United States supported a Thai Government effort to remove the CIF from the narcotics trade. In exchange for the CIF's promise in 1972 to refrain from further involvement in narcotics, the Thai Government provided financial assistance and permission for legal residence in Thailand. Subsequently, it has become clear that, while some CIF narcotics activity may have been reduced, the CIF has not ended its involvement as promised.

In 1972 and 1973, warlord leader Lo Hsing Han made a major attempt to supplant the CIF, in alliance with other insurgent and warlord groups, including the Shan State Army. Lo's effort to control the narcotics trade was aborted

At present, an estimated 10% of heroin imported into the United States originates in the Golden Triangle; [northern Thailand, the Shan State of eastern Burma and the Kachin State of northeastern Burma, and western Laos] the prediction is that this figure will increase to 15% in 1983.

are well-armed, and are organized along military lines. The soldiers may be Shan, Aka, Lahu, or Lisu; most of the leaders are Chinese, Sino-Thai, or Sino-Burmese. Many have a history of involvement with the Kuomintang military units, some with ties reaching back to World War II. In Burma, several of these units were Kha Kwe Yei, the so-called Burmese militia units deputized by Rangoon in 1967 to fight the Burmese Communist Party. All of these groups were officially outlawed by 1973. Today, their activities cover a broad range of illegal enterprises ranging from narcotics trafficking and refining to smuggling consumer goods into Burma. Over the past decade, the most significant trafficking groups have been the Chinese Irregular Forces (CIF) and the SUA.

From the early 1950s to about 1975, most of the Golden Triangle narcotics trafficking was controlled by the 3d and 5th Chinese Irregular Forces, which were headquartered in Thailand at Tam Ngop and Mae Salong, after their bases

with his arrest in 1973 by the Thai Government and extradition to Burma for trial and imprisonment. In 1975, the first of the Burmese Government's “Mohein” military operations seized the most important of the CIF's narcotics refineries and stockpiles, dealing a serious blow to CIF domination of the narcotics trade.

Burmese Government military operations during the 1973–1977 period also brought an end to the immense mule caravans that formerly transported opium south out of Burma and across mountainous ridges into Thailand. To avoid increasingly vigorous Burmese attacks and to reduce the chance of detection, traffickers began using smaller caravans and resorting to human carriers.

Warlord Chang Chi-Fu—or, Khun Sa—took advantage of the disruptions caused by these Burmese antinarcotics measures against other larger and established trafficking groups, and after

NARCOTICS

1975 expanded his narcotics operations. Described as a rebellious former Burmese militia commander, Chang Chi-Fu was under Burmese confinement from 1969-1975, when he escaped. By 1978 and 1979, Chang Chi-Fu and the SUA had secured control of about two-thirds of Golden Triangle heroin production. Headquartered in the Thai border town of Ban Hin Taek, Chang built up an extensive network of contacts in Thailand as security against attacks by the Thai Government. He also attempted to develop a propaganda image as a popular Burmese ethnic insurgent leader and an image as a security bulwark for Thailand against advances by the Burmese Communist Party. These efforts were far more successful in the west than in Burma.

Chang occasionally provided soldiers to the Thai military for counterinsurgency operations. Chang, who has periodically entered into extensive business arrangements with the Burmese Communist Party, is now a prime target for the antinarcotics actions of the Rangoon and Bangkok Governments.

In February 1980, the Burmese Government, which outlawed the 3,500-man SUA Army in 1971, attacked SUA narcotics refineries in the Lao Lo Chai area. Over the border, the Royal Thai Government, after several less effective measures against Chang, offered the equivalent of a \$25,000 reward for his arrest and then increased efforts to insure Thai control over the area around Ban Hin Taek. These efforts culminated in the January 21, 1982 assault by Thai border patrol police and the Thai Air Force on Ban Hin Taek.

This military operation resulted in the destruction of SUA barracks and Chang's home, and in the capture of significant amounts of military and communications equipment, arms, and munitions. While large quantities of opium or heroin were not seized, there was some disruption of the last stages of the opium harvest in the Chang Rai area and some interruption of refinery operations. While the raid succeeded in driving most of the SUA out of Thailand, Chang Chi-Fu was not captured.

However, the raid, the loss of life—16-17 Thai police and a greater number of the SUA—and the resultant publicity have apparently raised the consciousness of the Thai Government and public to the dangers of allowing narcotics traffickers to control significant portions of Thai territory. When the SUA attempted to reestablish itself in Thailand, the Thai responded with a second military action in May, which again

sent Chang Chi-Fu's forces across the border into Burma. A third, extensive assault involving Tahan Prahan irregulars, the border patrol police, and the Air Force occurred in October and November. It resulted in destruction of the SUA's third headquarters in less than a year, destruction of a refinery, and seizure of some opiates as well as lab equipment.

We expect continued pressure by both the Thai and the Burmese against the SUA. The Thai Government has assured the United States that it will continue to pursue Chang and prevent his establishing an army again in another area of Thailand.

At the same time, the Thai have targeted other warlord groups and heroin traffickers, such as the Shan United Revolutionary Army and the 3d and 5th CIFs, and we expect the Thai and Burmese Governments to continue their pressure, particularly against other trafficking groups which may attempt to replace the SUA. The Burmese Government is keeping a close watch on Lo Hsing Han, freed in a 1980 amnesty, to prevent his reinvolvement with narcotics.

An important factor in the current assessment is the full-scale move by the Burmese Communist Party into narcotics after 1978-79. Narcotics trafficking by BCP elements prior to 1978 appears to have been the work of individuals without explicit approval by the party leadership. However, in 1978 and 1979, the BCP appeared to have begun compensating for a sharp reduction, if not elimination, of Chinese assistance by resorting to party-sponsored and centrally directed cultivation of and trading in opium—including association with the SUA. Today, the BCP has an estimated armed strength of 10,000-12,000 men—with a 30,000 man militia as well—and controls large areas of Burma, particularly in the Shan Plateau, which are centers of opium poppy cultivation. The BCP has moved closer to the Thai-Burmese border recently and has involved itself more directly in the refining and trafficking of opium and heroin, as well as cultivation.

The anticipation is that the BCP will attempt to expand its narcotics operations and profits at the expense of other groups. This has brought it into direct conflict with the SUA, in what has historically been a constantly shifting pattern of alliances, betrayals, and realignments among trafficking groups.

In addition to the narcotics trafficking by warlord, revolutionary, and insurgent groups, there are a number of

smaller syndicates, and independents, who from time to time are involved in trafficking or refining or both. Often, they pay a percentage fee to one of the major trafficking groups for refining facilities or protection.

Refining

Narcotics refining in the Golden Triangle occurs primarily in Burma. Many of the refineries are located a few kilometers of the Thai border, allowing ready movement of the facilities and their products into Thailand as the need arises.

An understanding of the nature and character of this refining process is as important to assessing the difficulties of controlling Southeast Asian production as is the understanding of the trafficking system and the principal traffickers. The typical refinery is located in rough terrain dominated by jungle-covered ridges, near small streams. The equipment is easily dismantled and fairly primitive; enameled pots or copper vats, strainers and filters, pans, trays, and a simple heating source, usually a charcoal-fueled stove. The chemicals, particularly acetic anhydride, are primarily supplied illegally through Thailand or Malaysia. The heroin chemists are generally ethnic Chinese who reside at the refineries.

The laboratories refine the morphine base—pit'zu—into either heroin number 3—smoking variety—or heroin number 4, which is 95% pure and suitable for intravenous injections. The raw opium, particularly from Burma, is reduced to morphine base very close to the poppy fields for convenience of travel, since the process reduces the opium by a factor of 10 to 1.

Recently, a refined form of heroin base—a step between pit'zu and heroin 3 or 4—has been discovered by narcotics agents, especially in Hong Kong. This heroin base is particularly prized by the professional narcotics trafficker because it can be refined by a relatively simple process into heroin 3 or 4.

Distribution

The vast majority of the narcotics moving out of the Golden Triangle continues to cross the Thai-Burma frontier, which remains the primary site of the region's heroin refineries, but, today, trafficking is often accomplished by truck or riverboat. While most Golden Triangle narcotics are transported out of Burma's

Shan State and across Thailand to reach the outside world, new routes have also been developed along the Burmese Tenasserim coast to Malaysia, or south through central Burma to the Andaman Sea, and then to Malaysia and Singapore. Because of its long seacoast, extensive river system, and large numbers of fishing boats, it is quite difficult to control narcotics traffic in, around, and through Thailand.

Many syndicates or combinations of syndicates and individuals control the international trafficking. Big-time traffickers usually are well-connected and successful in avoiding arrest. Hong Kong, Penang, Kuala Lumpur, and Singapore, as well as Bangkok, provide way stations for international narcotics traffic and banking facilities for "laundering" the enormous amounts of money generated by the narcotics trade. Procedurally, established trafficking groups control the refining operations, while groups of financiers pool their resources to purchase a quantity of heroin from a refinery. They then locate a courier to carry the narcotics to a point of debarkation and additional couriers are found to smuggle the shipment to the country of destination. In addition to these organizations, there are casual overseas purchasers, frequently addicts, who come to Thailand to make a purchase and attempt to smuggle it out of Thailand.

Major international airports remain the preferred departure areas for traffickers, although Customs seizures significantly increase the risks. In an effort to deceive Customs officials, couriers are taking circuitous routes, which include the People's Republic of China.

Social, Political, and Economic Factors

While the patterns of narcotics production and trafficking have modernized since the mid-1970s, when opium caravans transversed Burma and Thailand almost without interruption, there have also been important changes in the impact this production and trafficking have had on governments, economies, and indigenous populations—social, political, and economic impact that, to some still undetermined degree, represent new motivations for increased narcotics control activities.

One of the most significant factors affecting the attitudes of some Thai and Burmese leaders toward narcotics is the

recognition that their own people have developed serious addiction problems. While opium consumption and addiction have been traditional and generally tolerated, addicts are no longer relegated to opium dens in "China Town" or in the hill tribes; there are now large heroin-using populations, including young, primarily urban, addicts.

The Thai Government estimates its heroin addict population at 300,000–500,000 people, out of a population of 48 million. In addition, marijuana is readily available throughout the country, and there are increasing reports of misuse of tranquilizers, barbiturates, amphetamines, and morphine. It is estimated there are over 100,000 opiate addicts in Burma which reports 32,000 registered opiate addicts. Malaysia, a major consumer of Golden Triangle narcotics, has from 100,000–300,000 heroin addicts out of a population of 14 million; 69,000 of these addicts are registered. These heroin addict populations are proportionately higher than that of the United States, which has an estimated 450,000 addicts out of a population of 230 million people.

The fact that much of the Golden Triangle's narcotics production is consumed within the region has important implications for the Burmese and Thai Governments as well as our own. It creates a significant hidden economy which evades taxation, frustrates economic policies, and distorts economic activities. The funds derived from this local consumption provide a resource

disincentives for a stable national policy and economy and discourages positive action against other criminal activities often linked to narcotics.

Cities in Asia, like Bangkok, Kuala Lumpur, and some areas of Hong Kong, have serious crime problems, and, while a direct connection between addiction and street crime is not always easy to substantiate, narcotics activities are often interconnected with other criminal activities such as prostitution and gambling.

Regional Strategy

The Department believes that a multifaceted approach is essential to achieving our narcotics reduction objectives in Southeast Asia.

Our narcotics control strategy for the Southeast Asian region is to stimulate governments to take effective action against illicit drug production and major trafficking that will achieve the objective of reducing the availability of Southeast Asian narcotics in the United States.

Diplomatically, we impress upon governments in this region—and all other regions—their national responsibilities under treaties to control illicit narcotic cultivation, production, and trafficking. We recognize that some governments need assistance in fulfilling these obligations, and we provide bilateral assistance for crop control and interdiction programs on a country-specific and regional basis, as well as

Narcotics refining and trafficking feed on corruption and encourage it. The corruption of public officials provides disincentives for a stable national policy and economy and discourages positive action against other criminal activities often linked to narcotics.

and financial base independent of the large profits from the overseas trade, and finances insurgencies and terrorism.

The growing domestic addict populations add immeasurably to internal social and health care problems, and debilitates users, many of whom are youths. The welfare costs are also significant.

Narcotics refining and trafficking feed on corruption and encourage it. The corruption of public officials provides

support through multilateral U.N. programs. This assistance not only encourages governments in the region to undertake programs but is critically important to the success of those initiatives.

The United States recognizes that crop control can impact on local economies in producing countries, which are generally underdeveloped and resource-poor, and we, therefore, provide

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or stimulate income replacement projects where appropriate.

The United States also provides technical assistance for demand reduction programs, and, through funding for training by the Drug Enforcement Administration (DEA) and U.S. Customs, we provide training to foreign law enforcement personnel.

While our regional strategy is heavily focused on Thailand and Burma, the Bureau also supports program initiatives to other countries through our East Asian regional project.

Our Bureau of International Narcotics Matters (INM) has budgeted \$7,700,000 for programs in East Asia in FY 1983. Expenditures totaled \$9,257,000 in FY 1982. The higher FY 1982 figure chiefly represents a one-time replacement of aircraft for the Burmese program.

In the balance of our testimony, we provide details—on a country-by-country basis—on host country programs in crop control, interdiction, and demand reduction, as well as data on the assistance provided by United States agencies, international organizations, and other foreign governments. These country reports include our assessments of the effectiveness of these efforts, the problems encountered, and prospects for future effectiveness.

Thai officials historically were relaxed about narcotics grown, refined, transported through, or shipped from their country since there was little perceived narcotics problem among ethnic Thai . . . however, in the 10 years since the withdrawal of U.S. forces, a serious local drug abuse problem has developed, and concern has increased.

COUNTRY REPORTS

Thailand

Thailand is a grower of opium, a producer of refined opiates, and the major country of transshipment for Southeast Asian heroin. It also has a large addict population.

The U.S. Government's drug effort in Thailand focuses on opiates—opium, morphine base, and heroin—although cannabis is also grown in Thailand. There is no licit production of opium,

coca, methaqualone, cannabis, amphetamines, or chemicals for conversion or refining of opium. There is some licit production of barbiturate pills or capsules from imported powder.

The primary goal of the United States is to assist the Royal Thai Government in reducing as rapidly as possible the amount of opiates produced in and transmitted through Thailand.

Social, Economic, and Political Environment. Although opium has historically been an economic and sociological fact of life in Thailand, international trafficking of finished narcotics from Thailand—and other countries in Southeast Asia—began in the 1960s in large part as a result of the buildup of U.S. military forces in Indochina. U.S. military personnel in Thailand and Vietnam provided a ready market for No. 4 injectable heroin, while No. 3 smoking heroin was being produced for local consumption and for shipment to newly expanded markets in Europe. Although the withdrawal of U.S. forces from Southeast Asia from 1973–1975 caused a temporary curtailment of the No. 4 heroin market, a replacement market made up of the indigenous populations in Thailand, Burma, and Malaysia developed rapidly, as did new markets in Europe and the United States.

local drug abuse problem has developed, and concern has increased.

The narcotics problem in Thailand has not been given the highest priority by the Thai Government. Problems of internal security, refugees, relations with Cambodia, Laos, and Vietnam, and the economy are of more immediate concern to both the Thai Government and the public. On the other hand, the government does devote considerable amounts of funding and manpower to antinarcotics efforts. Unfortunately, the results have not always been consistent with the amounts of time, money, and manpower expended.

Efforts at Drug Control to Date.

The U.S. objective of reducing the production in and transshipment through Thailand of opium and heroin can be achieved by thorough, efficient, and effective Thai enforcement of the ban on opium growing, supported by interdiction and other law enforcement programs, alternative crop substitution, treatment rehabilitation, and prevention education. An immediate goal of the United States is to assist in the development of Thai institutional capabilities to deal with the narcotics problem. Narcotics control assistance since FY 1972 has amounted to some \$23 million; INM has budgeted \$2,475,000 for Thailand in FY 1983.

Law Enforcement. The Thai national police has been the primary narcotics suppression body in Thailand. Police Gen. Pow Sarasin, Secretary General of the Office of Narcotics Control Board (ONCB), and his deputy, Gen. Chavalit Yodmani, are the key officials coordinating narcotics control policy and programs. Since 1973 special police narcotics suppression centers have had units in Chiang Mai, Bangkok, and Haad Yai. In addition, the Bangkok Metropolitan Narcotics Unit is a specialized unit in the capital. The Thai border patrol police have traditionally conducted narcotics operations, primarily in the north along the Thai-Burma and Thai-Lao borders. Royal Thai Customs has special units at international embarkation-debarkation points.

The United States has provided both equipment and training to Thai law enforcement entities. Thai Customs narcotics units increased from 7 to 84 members in the last few years. Customs and DEA training in methods of narcotics interdiction, investigation techniques, and teaching methodology is geared toward assisting the Thai

enforcement agencies to become self-sufficient in narcotic law enforcement.

The Thai Government realized in early 1982 that its ad hoc efforts to suppress the heroin trafficking groups based in Thailand and operating along the Thai-Burma border needed to be placed on a continuous basis. The department, by reprogramming funds available almost entirely within the Thai program budget, was able to respond to a Royal Thai Army request for material and operational support of five to six companies, which would provide sustained suppression of these trafficking groups. Begun last June, this force has now been trained and is deployed in the most contested area of the Thai-Burma border. The results of these activities and expectations of ongoing action were detailed earlier. Reprogrammed FY 1983 funds bring the total budget for this project to \$2.1 million for 1 year ending May 1983.

There has been a recent decline in the availability of precursor chemicals such as acetic anhydride used to refine opium into heroin, as a result of Thai enforcement of a "chemical free zone" in northern Thailand. The amount of acetic anhydride reaching the northwest border refineries by traditional routes has dropped significantly, while prices have increased, and some refining activities have apparently moved to both sides of the Thai-Malaysia border.

U.S. collaborative programs in narcotics production control, demand reduction, and enforcement are largely programmed with the ONCB which is the coordinating agency on narcotics matters, working through the Department of Technical and Economic Cooperation (DTEC), the agency designed to represent the Thai Government in matters relating to grant assistance programs with donor countries.

Crop Substitution Eradication.

Thai Government crop substitution efforts have been carried out for over 15 years, originating with the "King's Project," in Chiang Mai Province. Eight years ago, the U.N. Fund for Drug Abuse Control (UNFDAC) became involved in the programs. Our objective is to support the UNFDAC efforts and a U.S. Agency for International Development (USAID) rural development project in the Mae Chaem watershed area.

For many opium farmers in the hill tribes of northern Thailand, opium has been the principal and sometimes only cash crop. Rice production in many areas is insufficient to meet subsistence

requirements. While there has been some limited success with such new crops as potatoes, beans, and coffee, new crops have not "caught on" sufficiently either in interest or market value to be a disincentive to poppy cultivation. Although the programs have been successful in introducing new crops to limited numbers of farmers, they have, thus far, had very limited success in reducing the numbers of acres planted with opium poppies, since the Thai Government has yet to take effective action in enforcement of its opium growing ban. We now have a commitment from the Thai to develop, by early 1983, a comprehensive opium eradication strategy. Without adequate enforcement of the ban—including destruction of opium fields—opium will continue to be grown by the hill tribes because it is a guaranteed, remunerative cash crop with returns that have increased significantly over the years.

A promising recent development has been the voluntary surrender of opium stockpiles and a pledge by a few hill tribe villages to abandon cultivation in return for specific transitional assistance. We have undertaken to support Thai civil-military authorities in two such cases and are seeking a firm commitment on a third case.

Demand Reduction. Demand reduction programs in Thailand include prevention, treatment, and rehabilitation. The Thai Government actively supports demand reduction, as demonstrated by a relatively high level of cooperation and coordination between the Bangkok Metropolitan Health Department, the ONCB, and the Ministry of Health. The overall project goal is to reduce the demand for narcotics in Thailand, prevent further spread of drug abuse to rural areas, and stimulate increased cooperation with law enforcement agencies through increased public and official awareness of the social impact of addiction.

The U.S. program provides training, technical assistance, and a modest amount of equipment for treatment and prevention. This project agreement on prevention, which emphasizes increasing Thai awareness of its drug abuse problems and preventive education by the schools and media, is to continue the program through FY 1984.

Other Government Agencies. The U.S. Department of Agriculture (USDA) has been funding crop substitution, research, and extension activities in Thailand since 1973. This program is

funded at \$500,000 in 1981 and 1982. The program objective is to identify viable alternative agricultural cropping systems to replace income from opium poppy production. The USAID Mae Chaem project of rural development in an opium growing watershed was signed in August 1980 to raise the standard of living of the hill tribe people in the area. The initial U.S. contribution was \$4.2 million, but a total U.S. contribution of \$10 million is anticipated over a 7-year period. The Thai Government has agreed to provide \$11 million as its contribution to the agreement to control opium poppy cultivation in the project area. The U.S. Information Agency supports U.S. narcotics control objectives through a modest information program on prevention and by dissemination of policy and program information.

International Organizations and Other Countries. As noted, the U.N. Fund for Drug Abuse Control has an active pilot crop substitution program which has received logistical and agricultural resource support from the USDA and State Department narcotics program in Thailand. The U.N. contribution is \$2.4 million for 5 years matched by \$1,235,800 in Thai funds. UNFDAC recently evaluated this project and extended it for 2 years, with greater Thai involvement. UNFDAC is implementing several programs for treatment, rehabilitation, prevention, and research projected at almost \$2 million with \$9 million matching Thai funding over a 4-year period. This program would build upon U.S. programs in demand reduction.

The Colombo Plan spends \$10,000 annually, primarily in training and conferences. The Thai contribute \$5,000 per year to the plan.

The Federal Republic of Germany has initiated a crop substitution project in northern Thailand with the orientation phase cost of almost \$90,000 to be matched by a Thai Government contribution of almost \$73,000.

An \$80 million World Bank rural development project in northern Thailand will include several opium growing areas but has not yet been implemented.

Canada has provided \$200,000 for narcotic related projects in health and crop substitution and training. The United Kingdom has provided some commodities, a coffee expert, and \$50,000 each year to Thai law enforcement. New Zealand, France, and Japan provide funds for educational grants and

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other crop substitution programs. In recent discussions, we have encouraged the Japanese to provide assistance to advance narcotics control.

Other U.S. Assistance. In FY 1982, the United States contributed \$79 million to Thailand for military assistance programs, \$27 million for development assistance, \$5 million in economic support funds (ESF), and \$2 million for U.S. Peace Corps activities.

Prospects for the Future. Although the U.S. narcotics assistance program has been active in Thailand for some time, success, particularly in terms of controlling the "choke points" of entry of refined heroin from Burma, has not been in keeping with the amount of funds expended. Recent military and police actions against the SUA represent a major breakthrough, demonstrating a determined Thai commitment to suppress the heroin trafficking organizations on the Thai-Burma border. We are assured of continued, expanded suppression efforts. However, there has been limited success in interdiction. The United States is hopeful that many Thai will increasingly understand the importance of controlling opium production, refining, and heroin trafficking—for their own social and economic well-being and to overcome the international notoriety of being the primary conduit for illicit drugs in East Asia.

Thus, while we applaud the government's military actions against the SUA, and look forward to the opium control strategy promised for early 1983, we are disappointed that the Thai have thus far failed to enforce the opium poppy ban effectively, even in areas which have benefited from the U.N. crop substitution program.

Burma

Burma is the primary opium growing area in Southeast Asia. The U.S. objective is to reduce the flow of Burmese opium and heroin into the international and U.S. markets. Our bilateral program of assistance is very important to the Burmese; the dangers both of domestic narcotics abuse and international narcotics traffic are well understood by the highest officials of the Socialist Republic of the Union of Burma and throughout most elements of Burmese society.

Burma is committed to eliminating domestic drug abuse, reducing opium production, and destroying organizations which grow and traffic in narcotics. The

Burmese have developed programs involving military and paramilitary operations in narcotics source areas against narcotics caravans and refugees, as well as route interdiction, law enforcement, treatment, rehabilitation, crop substitution and destruction, education, and propaganda programs.

Social, Economic, and Political Environment. For the Burmese Government, illicit narcotics pose a combination of social, political, and security problems—all interrelated.

The social problem of narcotics in Burma is both historical and modern. Opium usage and addiction in Burma are not a recent phenomena. The hill tribe growers of the area historically have consumed the opium for medicinal purposes as well as for general addiction. In 1942, when the British evacuated Burma in the face of the advancing Japanese Army, there were 50,000 registered opium addicts.

The increasing world focus on the role played by Burma's opium crop in international trafficking has led to concern by the government over its international image. In 1974 Burma passed a strict narcotics and dangerous drug law. Since then, antidrug efforts have been given a high priority by the government and the general population. The Burmese enforcement agencies and courts enforce narcotics laws vigorously and generally impose severe sentences on convicted offenders. Sentences of 5 years' imprisonment for illegal narcotics usage are not uncommon. Convicted peddlers and traffickers inevitably receive long prison sentences, with 10 years generally the minimum. On December 15, 1980, the Burmese Government issued an order establishing rewards for seizures of narcotics and other contraband. This reward system may increase the amount of narcotics seized in Burma.

Burma's narcotics problem is intertwined with the insurgency problem. Since independence in 1948, the Rangoon Government has been plagued by rebellious groups seeking national power—Burmese Communist Party—and by ethnic minorities seeking autonomy for their regions—the Shan, Kachin, and Lahu insurgency groups, to name a few. To these groups have been added several powerful armed bands of narcotics traffickers, usually ethnic Chinese, at least in leadership. As previously noted, these groups are heavily dependent upon the opium trade for their income, arms purchases, and other activities.

A significant reduction in opium production and trading would affect some areas of Burma more than others. The economy in the eastern Shan State appears to be heavily dependent upon opium revenues. For some hill tribes, opium in the past has been an acceptable and valued cash crop. The recent prohibition against opium growing and the subsequent Burmese eradication programs have taken away some disposable income from growers, but the majority of growers were rarely dependent upon opium for their total livelihood.

Efforts at Drug Control to Date.

U.S. assistance has been significant in supporting Burmese antinarcotics efforts—some \$47 million over the last 10 years. INM has budgeted \$5 million for Burma in FY 1983.

American-Burmese cooperation against illicit narcotics began with a June 1974 bilateral agreement, effected by an exchange of notes between the American Ambassador and the head of the Burmese People's Police. Under the terms of this agreement, and subsequent amendments, and the current project agreement, the United States provides Burma with helicopters, fixed-wing aircraft, communications equipment, and associated training and equipment-maintenance support. The bulk of our current budget is dedicated to aircraft maintenance contracts for previously supplied equipment. Additionally, to assist the Burmese Government in developing replacement means of income for former opium growers, the United States has provided limited assistance in development of alternative agriculture and livestock projects. Our crop substitution program has included special beekeeping and swine-poultry training at Ohio State University for 20 Burmese students.

Burmese Programs. Narcotics in Burma is a multifaceted problem and the country has developed an integrated strategy for dealing with it. The Burmese Central Committee for Drug Abuse Control (CCDAC), chaired by the Minister of Home and Religious Affairs, consists of eight deputy ministers from other concerned government ministries. Responsibilities of the CCDAC are nationwide and include all aspects of the government effort, including enforcement, crop-income substitution, and treatment-rehabilitation.

- **Enforcement**—A basic part of the Burmese enforcement strategy focuses upon interdicting narcotics caravans and destroying refineries and base camps

operated by trafficking groups. Burmese police and military personnel have been active both in major operations against the BCP narcotics activities and the poppy eradication programs.

• **Crop Substitution-Eradication—**The Burmese Government estimates that it eradicated more than 10,000 acres of opium poppy in the 1981-82 season that could have produced as much as 40,000-45,000 kilograms of opium. While this represents about eight percent of the total acreage under poppy cultivation in Burma, it almost doubled the previous year's destruction.

A Burmese crop substitution program supported by UNFDAC is making progress in distributing coffee and tea plants, seeds for spices and medicinal herbs, and improved livestock to farmers in areas in which opium was formerly grown. The CCDAC is establishing a multisectoral livestock, horticultural, and demonstration center at Pekhon in the southern Shan State. The purpose of this center will be to provide training and to demonstrate viable crop substitution and livestock production. The International Narcotics Matters program has provided bees, quail, and related equipment and training to support pilot programs for crop substitution. However, the full impact of these programs on opium production must await more hospitable conditions in poppy-producing areas.

• **Treatment, rehabilitation, training, and information—**The Burmese Ministries of Health and Social Welfare have responsibility for addict treatment and rehabilitation programs, respectively. Treatment centers have been established in each of the major urban centers with addict population problems. Larger hospitals have treatment wards; district and township hospitals have a basic capability for treating addiction. Rehabilitation centers have been established in Kengtung, Namla, Rangoon, Mandalay, and Lashio. Both treatment and rehabilitation centers have been improved and expanded by UNFDAC.

The Burmese Government conducts a continuous program of narcotics information through the government-controlled news media, in schools, posters, and public and party indoctrination sessions.

Other Programs. As indicated, UNFDAC has several programs in Burma. Between 1976 and early 1981, UNFDAC assisted Burma through financing a large multisectional drug abuse control program involving activities in law enforcement, crop and in-

come substitution, education, health, and vocational rehabilitation at a total cost of \$5,571,000 over the 5-year period. Phase two of this program was agreed upon in June 1981 for 5 years at a cost of \$5,042,000. Development aid funds for this program have been provided by the Government of Norway.

Other U.S. Assistance. The United States resumed economic assistance to Burma in 1980 after an absence of 15 years. The AID-Burma funding level has increased from initial amounts of \$2 million in FY 1980 and \$3 million in FY 1981 to \$7.5 million in FY 1982, assistance concentrated in agricultural and public health projects. Additionally, the United States provided \$150,000 in FY 1982 for military training under our security assistance program.

Prospects for the Future. When considering the future of narcotics suppression in Burma, one must remember that it is essentially a Burmese program, not an American one. The ultimate success or failure of the program—used in the broadest sense of the term—will depend upon Burmese efforts prompted by Burmese perceptions of national priorities.

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The United States has assisted and cooperated with the Burmese by providing some needed enforcement equipment—i.e., the purchase of and maintenance funding for telecommunications equipment, a small fleet of helicopters and fixed-wing aircraft—and modest support for Burmese pilot programs for crop substitution in opium growing areas. In addition, the United States has provided training for Burmese officials with responsibilities for customs and narcotics enforcement.

Our programs have helped sharpen the Burmese focus on their narcotics problems and our material assistance and training have given them the tools

for the job at hand. Politically, our narcotics cooperation has fostered a unique—for neutralist-isolationist Burma—bilateral relationship in which our assistance relates to a sensitive Burmese domestic issue. U.S. assistance supports the narcotics control objective which is consistent with Burma's objective of securing its territory. By any measure, the number of acres of opium crop destroyed and amount of opiates seized is significant. In addition, the continuing Burmese efforts in fields not directly supported by U.S. assistance are a measure of their commitment to the overall goals of narcotics control.

Nevertheless, the narcotics program in Burma must be viewed as an integral part of the Golden Triangle narcotics phenomena. As long as Burmese warlords, insurgents, and bandits know that they can enjoy even temporary safe haven in Thailand and Burma, the Thai and Burmese police and military actions and threats will be limited in their effectiveness. Greater Burmese-Thai cooperation and coordination is an essential long-term goal. In the last analysis, however, real progress in Burma will depend on greater Burmese authority in the poppy growing areas.

OTHER EAST ASIAN PROGRAMS

INM supports other program activity in East Asia through its East Asian regional budget and through funding and other support for the Colombo Plan project.

A specific goal of the Bureau's East Asian regional activity is to support programs among Association of Southeast Asian Nations (ASEAN) members which are designed to impede illicit narcotics production, processing, trafficking, and consumption. The INM regional program includes law enforcement, prevention education, and technical assistance

in treatment and rehabilitation. The Bureau has budgeted \$225,000 for its regional projects in FY 1983.

For example, in Malaysia, which is both a major narcotics consumer as well as an important transshipment center, the Bureau has just concluded a technical assistance program which developed a drug counseling and rehabilitation program within the Malaysian prison system and assisted in the development of a national strategy on drug control and an after-care program.

Similarly, in Indonesia, where our objective is to assist that government in preventing the country from becoming either an alternative opium-growing area or a major transshipment point, the Bureau's agreement is to provide commodities, training, and personnel exchanges—at an estimated cost of \$50,000 through 1984—to stimulate the Indonesian Government to take more comprehensive actions on its own initiative, in both supply reduction as well as demand reduction.

CONCLUSION

The specific commitments and actions which we seek on a country-by-country basis are integral to the success of our Southeast Asian strategy. However, the United States is also seeking greater cooperation within the region and believes that such internal cooperation is also essential to achieving narcotics control objectives in Southeast Asia.

In this regard, we are supporting ASEAN, and we are encouraging regional and bilateral contacts, which we believe should include Burma and Hong Kong.

Throughout the region, we are seeking wider adoption of precursor chemical controls, as well as agreements on seizures of financial assets, and on legal cooperation.

The United States cannot, in the final analysis, control opium production in Southeast Asia. We can only facilitate the achievement of control by the producing and transit nations. We are employing, therefore, a strategy that not only provides these governments with the capacity to act but encourages and sustains them in the will to act.

Nor can we succeed with just a bilateral effort. As cultivation and refining sites multiply and the number of

trafficking organizations and routes expand, in keeping with worldwide demand, the conclusion is inescapable that, more than ever, ultimate success depends on achieving comprehensive, simultaneous control in the many key growing areas. The United States is actively enlisting the participation of other victim and donor nations. We are encouraging greater contributions to

bilateral and multilateral control projects. We are attempting to internationalize the response to a global problem.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S.-Palau Plebiscite

The Governments of the United States and of the Republic of Palau have announced the holding of a plebiscite in Palau on Tuesday, January 11, 1983. The plebiscite will be an act of self-determination by the people of Palau regarding their future political status and is a step toward termination of the last remaining U.N. trusteeship.

In the plebiscite, the voters of Palau will be asked whether they approve or disapprove a compact of free association and a number of agreements subsidiary to it, all of which were signed by representatives of the two governments—Ambassador Fred M. Zeder, Personal Representative of the President of the United States for Micronesian Status Negotiations, and Lazarus E. Salii, Ambassador for Status Negotiations and Trade Relations of the Republic of Palau—in Washington on August 26, 1982.

The United States has requested a special session of the U.N. Trusteeship Council later this month at which it will ask the Council to organize an international observer mission to witness the final stages of a public education program now underway in Palau and the voting in the plebiscite itself. The education program in Palau is being conducted by a committee under the chair-

manship of Palau Vice President and Minister of State Alfonso R. Oiterong.

The United States and Palau agreed in the compact to call the plebiscite jointly, and an announcement of the date is being made simultaneously in Koror, Palau's capital, by Haruo I. Remeliik, President of the Republic. Procedures for the conduct of the plebiscite are established in Palau Public Law No. 1-43 enacted by the Republic's Olbiil Era Kelulau—national legislature.

Voters will also be asked in the plebiscite to indicate their preference between alternative forms of political status—a relationship with the United States closer than that of free association, or independence—in the event the compact does not achieve majority approval. The result on this second question would then constitute guidance to the two governments for further negotiations.

Signature of the compact and its related agreements in August represented the completion of more than a decade of negotiations. U.N. observation of the plebiscite is among several governing principles for free association adopted by the negotiators in a meeting at Hilo, Hawaii, in April 1978.

Press release 359 of Dec. 1, 1982. ■

Afghanistan: 3 Years of Occupation

The following paper was written by Eliza Van Hollen of the Bureau of Intelligence and Research in December 1982. It is a sequel to three reports on Soviet occupation of Afghanistan published in the BULLETIN in March 1981, October 1981, and March 1982.

Overview

Early in 1982, the Babrak Karmal regime and its Soviet sponsors redoubled their assault on the Afghan resistance movement hoping to achieve a turning point in the 3-year battle. In March, Babrak declared that the time had come to "take the revolutionary struggle to the provinces, districts, and villages." At the end of the year, however, there is little to show for their pains. Military, political, and economic gains continue to elude those who would impose a dictatorial Communist regime on the people of Afghanistan.

The Soviets increased their troop strength to about 105,000 and greatly intensified their military operations in 1982 but generally failed to discourage the resistance forces (the *mujahidin*) or to drive them from their strongholds. Indeed, *mujahidin* activity has increased dramatically inside Kabul itself in recent months in spite of intense Soviet military activity on all sides of the capital. Soviet inability to rebuild the Afghan Army into a loyal and effective force against the resistance continues to be a prime cause of military weakness.

Over the past year, the ruling People's Democratic Party of Afghanistan (PDPA) had hoped to cure itself of internecine fighting between its Khalq and Parcham factions and become the pre-eminent guiding force in Afghanistan. Instead, in the wake of a party conference in March (the first since the PDPA came to power in April 1978), the political infighting became even more bitter. Many influential Khalqis are under suspicion of either sympathizing with or collaborating with the resistance. Rejection of the party by the populace remains almost universal.

At the end of 1981, the PDPA's seventh plenum called for a nationality and tribal policy to appeal to local tribal and ethnic aspirations and win support for the regime. Despite occasional gains, a year later it has become clear that

tribes that once appeared susceptible to various regime blandishments are once more participating in the *jihad*—the holy war—against Babrak Karmal.

The government had pinned its hopes on a modified land and water reform program as the catalyst for increasing agricultural production in 1982 and winning support from the peasants. Enterprises disabled by the *mujahidin* were to be reactivated. And Prime Minister Keshtmand claimed 63 new projects were to go into operation with Soviet aid. But the continuing strength of the resistance movement, which dominates 75%–80% of the country, has foiled the economic planners.

At the end of 1982, the resistance movement in many areas appears to be militarily stronger and better organized than at the beginning of the year. Coordination and cooperation between fighting groups inside the country have generally improved, while Afghan exiles have stepped up efforts to foster greater unity in the resistance as a whole.

Cordovez will soon resume his efforts to widen what he perceives to be the area of agreement between the parties. The success or failure of the U.N. negotiations ultimately will depend on Soviet agreement to withdraw troops from Afghanistan. The United States supports the efforts of the U.N. mission to negotiate a political solution consistent with the principles expressed in the U.N. resolution on Afghanistan.

If the new Soviet leadership chooses to pursue the present course of military activity, which is designed to wear down the Afghan people, it will continue to confront almost universal opposition. The November 1982 U.N. vote of 114–21 was another impressive demonstration of strong international feeling on this subject.

The plight of more than 2.7 million Afghan refugees in Pakistan continues to focus international attention on the Afghan tragedy. Moreover, increasing media coverage is making the world community more knowledgeable about Soviet conduct in Afghanistan. Recent new evidence about the Soviet use of chemical warfare in Afghanistan has received worldwide publicity. The second session of the Bertrand Russell People's Tribunal on Afghanistan met in Paris

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Nevertheless, the political weakness of the resistance movement remains. Disruptive fighting between some bands inside Afghanistan continues. Exile leaders based in Peshawar, Pakistan, are split into two competitive alliances. Furthermore, there is a large gulf between formerly prominent leaders now in exile and some of the Peshawar-based organizations on the one hand, and some of the *mujahidin* fighting in Afghanistan, on the other.

The U.N. mission to promote a political solution to the Afghan crisis has made progress on procedural issues. The U.N.-sponsored indirect talks in Geneva in June began to deal with substance, but the critical phase of the negotiations lies ahead. U.N. representative Diego

December 16–20 and heard testimony concerning the increasing number of atrocities committed by Soviet soldiers against Afghan villagers. Thus there has been no diminution of profound international concern over the individual and collective suffering now being endured by the Afghan people.

Soviet Military Offensive Intensified

At the end of 1981, the Soviets significantly stepped up their military operations and increased their troop strength. Both developments appeared to follow from the protracted visit to Afghanistan in late 1981 of a high-level

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Soviet military delegation led by First Deputy Defense Minister Marshal Sokolov.¹

The initial increment of 5,000 troops in December was followed by several thousand more in January. The total number of Soviet troops in Afghanistan is now estimated at 105,000. In addition, about 30,000 men on the Soviet side of the border serve in a rear-guard capacity; some of these are periodically involved directly in operations in the northern areas. The U.S.S.R. thus has a force of about 135,000 committed to the Afghan war.

Soviet military operations throughout 1982 have been more massive and more elaborate than in 1981; they appear designed not only to eradicate *mujahidin* strongholds but also to intimidate civilian supporters of the freedom fighters. The previous political strategy of wooing the population to support the regime's National Fatherland Front had been unsuccessful; by the end of last year the *mujahidin* were clearly expanding the territory under their influence. In 1982, Soviet firepower has been used much more indiscriminately as the Soviet and Afghan Armed Forces have sought to reestablish the regime's authority in key areas.

The big winter offensives against Qandahar in the south and in Parvan Province north of Kabul revealed Moscow's revised military strategy. These drives, which were followed by similarly harsh operations against many villages and towns throughout the country, inflicted heavy casualties on civilians and occasionally on the *mujahidin*. More often, however, the freedom fighters have managed to withdraw with their force relatively intact and to return to the area as soon as the Soviets have left.

Civilian populations near strategic targets have suffered the most. For example, the towns in the Shomali area immediately north of Kabul have been bombed heavily throughout the year. *Mujahidin* in this area are a threat to Kabul itself and to the important Bagram airbase as well as to traffic moving along the main supply route from Kabul to the Soviet border. Many other strategically important areas in both eastern and western Afghanistan have been subjected to repeated aerial attack, but none has been hit with the same frequency and intensity as those near the capital.

Moscow probably will try to refrain from large-scale counterattacks on

the *mujahidin* inside Kabul. Although they have on occasion bombarded resistance-controlled quarters of two other cities, Qandahar and Herat, the presence of a large community of foreign observers may inhibit them in Kabul. But the State Information Service (KHAD—the secret police), which is run by the Soviet KGB, appears to have increased its activities in Kabul in recent months in response to *mujahidin* activity in the city. Recent emigrants have described a growing police-state atmosphere in the capital.

The Soviets also appear to be concentrating their military efforts in areas which are economically important and which are essentially under *mujahidin* control. These include fertile agricultural regions and the sites of industrial enterprises that have been disabled by the guerrillas in districts surrounding the major cities—Kabul, Qandahar, Herat, Jalalabad, and Mazar-e-Sharif.

Other Soviet military activity during the past year apparently has been intended to discourage movement across the Pakistani and Iranian borders; it does not appear to have succeeded. Soviet forces also have been engaged in equally unfruitful efforts to suppress the resistance in the northern provinces along the Soviet border.

Panjsher and Paghman Operations

The most important Soviet military objective in 1982 was to reestablish the regime's authority in the Panjsher Valley, 60 miles north of Kabul, and to destroy Ahmad Shah Mahsud's *mujahidin* organization in this area. Another important priority was to drive the *mujahidin* out of Paghman, a mountain retreat only 12 miles from the capital. Both the Panjsher Valley and Paghman have become strategically important *mujahidin* strongholds as well as symbols of *mujahidin* success.

During the summer, the Soviets launched two major attacks on the Panjsher. The campaigns have been referred to as Panjsher V and Panjsher VI, highlighting the growing number of Soviet efforts to take the valley.

Panjsher V, which began in mid-May and lasted about 6 weeks, stands out as the biggest Soviet military operation of the war to date. Although an unusually large combined force—about 12,000–15,000 men—established base camps about one-fourth of the way up the 75-mile valley, the offensive failed to inflict noticeable damage on the 5,000-man

mujahidin force under Mahsud's command. The operation, however, was very costly for the Soviet and Afghan troops in terms of casualties and lost materiel. Mahsud's men were particularly effective against heliborne troops, who had landed on numerous hilltops.

Claims by the regime in late June that the Panjsher had been "liberated" were premature. By late August, *mujahidin* pressure on the newly established garrisons forced the Soviets to mount another major offensive into the valley. This time they conducted extensive operations against villages in the Panjsher River's many lateral valleys. Once again the invaders suffered heavy casualties, lost large quantities of materiel, failed to establish a presence beyond the already garrisoned town of Rokha, and did not significantly hurt the *mujahidin*. Following the retreat of this second invading force in mid-September, the *mujahidin* resumed their harassment of the remaining garrisons. Defections from the Afghan forces climbed again, as they had earlier in the summer. As of late fall, Soviet planes continued to bomb the valley, and a new Soviet operation before the end of the year was likely.

The Soviets seem determined to eliminate the Panjsher as a symbol of the resistance; thus they may try to keep a garrison in the lower valley throughout the winter. This would be a difficult operation; the post at Rokha already is partially dependent on resupply by air. The *mujahidin* in the Panjsher downed several helicopters during the summer operations; garrisons isolated by winter snows are even more vulnerable. On the other hand, the *mujahidin* themselves are more vulnerable during the winter because they cannot retreat to their mountain hideouts.

During the Panjsher operations this year, the Soviets tried to cut off the valley by blocking entrance points, but these efforts failed. There were numerous reports, for instance, that during the protracted offensive in May and June, Mahsud received assistance from other resistance commanders.

Soviet offensives in the Panjsher have inflicted great suffering on the civilian population as Moscow has sought to erode popular support for the *mujahidin*. Many homes, and indeed entire villages, have been destroyed by the constant bombardments. In October, for the first time, Panjsheri refugees began to arrive in northern Pakistan.

Severe food shortages in the Panjsher can be expected this winter.

The fighting in early summer destroyed most of the wheat crop by depriving it of irrigation during a critical period. Some crops, however, have been harvested in the upper reaches of the valley, and some food can be purchased from neighboring districts. Mahsud has issued an appeal for international assistance to avert a major disaster.

The situation in Paghman, only 12 miles from Kabul, is similar. The Paghman district is a less tightly knit economic and social unit and has no charismatic leader, but the several *mujahidin* groups active in the area cooperate with each other. The ability of the *mujahidin* to control the town of Paghman most of the time has made it an important symbol of the resistance. Furthermore, *mujahidin* who congregate in the Paghman hills have operated effectively in Kabul itself.

After several efforts during the spring to open the road to Paghman, the Soviets mounted an extensive two-pronged operation against the area. The *mujahidin* were forced to retreat to the surrounding mountains. In late July, Babrak announced that this mountain recreation spot was once more open to the public.

But the regime's claims to have pacified Paghman were hollow. The *mujahidin* were soon overrunning army outposts, and heavy bombardments of the Paghman area, including the town's central bazaar in the summer, failed to halt resistance activity. Soviet and regime forces attacked Paghman again in October and November, but the army garrison there remains in jeopardy.

Soviet Casualties and Morale. Because of the shift to larger scale operations in 1982, Soviet casualties began to rise. To keep casualties low, the Soviets made heavy use of air bombardments and forced Afghan military units to spearhead the ground attacks.

The new spate of casualties may be causing morale problems for the Soviets. In November, *Krasnaya Zvezda* carried an unusual, only slightly veiled, reference to Soviet casualties, indicating a need to acknowledge the sacrifices made by Soviet troops in Afghanistan. In an interview with a *Krasnaya Zvezda* correspondent, a member of Afghanistan's Politburo claimed that Soviet soldiers had now won the trust of the Afghan people, but he added that it had been won "at a great price." He went on to thank "the Soviet servicemen for their courage, selflessness and genuine internationalism." This admission went beyond the candid statement in *Krasnaya Zvezda* last February that life

for the Soviet troops in Afghanistan "is hard . . . sometimes very, very hard." The November statement may have been spurred by the large death toll of Soviet soldiers from asphyxiation following an accident in the Salang tunnel on November 3.

Accounts of indiscipline, drug usage, and black marketeering—including the sale of weapons and ammunition—are numerous. Throughout the Soviet occupation, there have been periodic reports of defections to the *mujahidin* by Soviet minority troops, particularly the Tadzhiks who have important cultural and ethnic links with Afghan Tadzhiks. These defections seem to have increased during 1982.

Soviet commanders in Afghanistan are under heavy pressure from Moscow

To keep [their] casualties low, the Soviets made heavy use of air bombardments and forced Afghan military units to spearhead the ground attacks.

to produce results against an enemy that frequently outflights and outwits them and that enjoys the support of the vast majority of Afghans. Thus when the Soviets fail to track down the *mujahidin*, they turn on civilians in frustration and rage. The Swedish journalist Borje Almquist has described in detail crimes perpetrated by Soviet soldiers against Afghan citizens in Lowgar Province, which he visited during the summer. The Bertrand Russel Tribunal has publicized similar evidence of Soviet brutality.

Chemical Warfare. The Soviets have continued to employ lethal chemical weapons against the *mujahidin* in 1982. These weapons have been used selectively—generally against guerrillas in relatively inaccessible locations. For example, chemical agents have been used against *mujahidin* positions in caves and *mujahidin* hiding in underground waterways. Analysis of two Soviet gas masks recently acquired from Afghanistan confirms earlier suspicions that the Soviets are using the deadly trichothecene myco-

toxins ("yellow rain") in Afghanistan. In November, the Department of State issued an updated report on chemical and biological weapons employed by the Soviet Union in Afghanistan, Laos, and Kampuchea (BULLETIN of December 1982). This document details the new evidence compiled on this subject during 1982.

Soviet POWs. In the spring of 1982, after lengthy negotiations, Moscow agreed to let the International Committee of the Red Cross (ICRC) take charge of Soviet prisoners of war captured by the *mujahidin*. The first three prisoners to change hands under this arrangement arrived in Switzerland in June. Four more have followed, the latest transfer having taken place in November. As part of the agreement, an ICRC team was allowed to go to Kabul in late August to visit prisoners and "carry out humanitarian assistance" on their behalf. The team, however, was unexpectedly obliged to leave Kabul in October, and the scope of the ICRC's role inside Afghanistan is still being negotiated.

Moscow was slow to conclude this arrangement, presumably because it involved recognizing the *mujahidin* as a negotiating entity and also because it was a formal admission that Soviet soldiers were actually fighting in Afghanistan. The present agreement was reached after the *mujahidin* revealed that they had executed a prominent Soviet adviser, E. M. Okrimyuk. The freedom fighters held Okrimyuk prisoner for several months, hoping to exchange him for *mujahidin* prisoners held by the Kabul regime.

The Afghan Army

A major obstacle to Soviet military success against the *mujahidin* is Moscow's continuing inability to rebuild the Afghan Army. Not only is there a persistent shortage of recruits, but the loyalty of the officer corps remains in serious doubt.

Within the officer corps, Parchami loyalists are in a minority. They are outnumbered by disillusioned and alienated nonparty careerists and by Khalqis who bear a grudge against the dominant Parchamis. The elections preceding the national party conference in March confirmed the numerical edge which the Khalqis hold over the Parchamis among the officers.

Moscow hopes that increasing numbers of officers who have been trained recently in the Soviet Union will help create a more loyal force. The Soviets also may expect that the sons of party

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members now being rushed through officer training courses in Kabul will be more reliable. But the long list of Afghan officers who have defected includes many who received training in the Soviet Union.

Moscow also counted on General Ab-

the lack of cooperation between the army and other security organizations. Babrak ascribed these problems to inadequate political indoctrination in the army and, by implication, to party factionalism. He stated that "unity . . . and the solidarity of party ranks in the army

Soviet commanders in Afghanistan are under heavy pressure from Moscow to produce results against an enemy that frequently outfights and outwits them and that enjoys the support of the vast majority of Afghans.

dul Qader, who was acting Minister of Defense during most of 1982 and officially appointed as minister in September, to narrow the division in the military establishment between Khalqis and Parchamis. Qader has ties with both factions and has been described as more of a "nationalist" than a party man. Yet his appointment in place of General Rafi, who was an ardent Parchami, has not generated much support from nonparty and Khalqi officers.

On the contrary, there are many signs that officers in the Afghan Army continue to collaborate with the *mujahidin*. Large number of Khalqi officers were arrested in Jalalabad in March and in Ghazni Province in April, suggesting extensive plotting against the regime. Following the Panjsher campaign in early summer, reports circulated that several high-ranking officers had been arrested for collaborating with Mahsud. And in late September, General Wodud, commander of the Central Corps, was found shot to death in his office. He may have been killed either by the Parchamis or by enraged Soviets on suspicion of collusion with the *mujahidin*. Throughout the year, Afghan commanders have had their assignments shifted frequently—as if their Soviet overseers were trying to forestall the development of sympathetic ties between commanders and local *mujahidin*.

In a speech to the armed forces guidance and administration leadership cadre on August 12, Babrak Karmal was highly critical of the army's performance. He singled out irresponsibility with weapons (perhaps prompted by the large loss of materiel to the *mujahidin* in the Panjsher), the ineffectiveness of some combat units, the failure of officers to lead and inspire their men, and

was of vital and national importance."

The shortage of Afghan troops may be even more significant for Kabul than the shortage of reliable officers. The regime has been unable to build an army of more than 30,000–40,000 men; it loses about 10,000 men annually through desertions and 5,000 through casualties. The year 1982 began with an urgent need to replace some 20,000 men who were released from service in December 1981 after completion of their extended tours. Extensive sweep operations were held throughout the country to obtain replacements. Those caught in the dragnet included many persons with valid claims to exemption. Similar sweeps were conducted in the spring and early summer but with little success.

In late July, the regime again revised the draft law. The tour of duty for regular recruits was extended by 6 months to 3 years. Reservists who had been inducted following the September 1981 mobilization had their present tours extended from 1 to 2 years, and another large class of reservists became eligible for active duty when the age ceiling was raised from 35 to 39.

The reaction in the armed forces was predictable: a perceptible increase in desertions. Indeed, the draft law changes appeared to have the immediate effect of causing a net loss of army personnel despite the sweep operations. To counter this hemorrhaging, the regime announced higher pay for soldiers and noncommissioned officers during their third year of duty.

In October, in a further indication of the troop shortage, the regime decided to violate traditional custom by drafting men from the Shinwari, Mohmand, and

Jaji tribes who inhabit areas adjacent to Pakistan. The decision also may have reflected the regime's awareness that these tribes were not preventing cross-border traffic in their area—the *quid pro quo* for the draft exemption. But when the tribesmen staged a large demonstration in Kabul in early November in protest to the draft, the government reversed its decision.

Rumors of a government plan to create a civil defense corps of boys (ages 16–18) and older men (ages 40–45) to perform guard duty have greatly alarmed the populace. Younger boys (ages 10–15) are to receive military training at school to prepare them for such responsibilities. As much of the police force is tied down with guard duty, the civil defense plan would free police for combat. Many of the 16–18 year-olds already have been conscripted even though they are under the legal draft age of 19. The plan allegedly is to go into effect in March 1983.

Consolidation of All Security Organizations

Morale and disciplinary problems have afflicted other security organs—the Defense of the Revolution (DOR) militia, the police, and the secret police. The DOR militia is supposed to be a force of selected party loyalists, but its members are often young, opportunistic, and easily demoralized; they have a poor record of performance under stress. There is also much bickering among the different services, including fighting between the police and the KHAD in Kabul.

The Soviets and the regime recognize the advantage of imposing more centralized control on the security apparatus. The "action program," adopted at the party conference in March, called for establishing a "unified single defense system of . . . armed forces, frontier forces, security organs, groups of defenders of revolution and volunteer groups of tribes." It also called for "tight party control over the . . . activities of this system as a whole."

The plan to consolidate all security forces under centralized party direction has run into political and bureaucratic resistance. In speeches to KHAD personnel in May, to army cadres in August, and to the police in October, Babrak Karmal criticized all the services for their lack of cooperation. His complaints, however, are unlikely to have much effect. For example the top Khalqi leader, Gulabzoi, who as Minister of the Interior controls the police, probably

sees the consolidation as a Parcham move to undermine his position; indeed, there are signs that Gulabzoi is continuing to try to build the police into a parallel "army" under his control.

Problems in the Party

The first national conference of the People's Democratic Party of Afghanistan (PDPA) took place in mid-March 1982. In addition, three Central Committee plenums were held—the eighth in March to prepare for the national conference, the ninth in July, and the tenth in December. The first three meetings revealed that the fundamental conflicts between the Khalq and Parcham factions of the party are as serious as ever.

The conference sponsors probably hoped that the conference would establish the dominance of the Parcham wing and thus would further legitimize Babrak's leadership. The two main items on the agenda—changes in the party constitution and an action program to give the party a sense of direction—both seem to have been designed to reduce Khalq influence.

The Khalq leadership, however, turned the two-stage process of electing delegates to the conference into a contest punctuated by fistfights and shoot-outs, instead of accepting elections rigged in favor of Parcham candidates. The results confirmed that in spite of repeated purges of lower and middle-level Khalqis, the latter still outnumber their rivals—at least among full-fledged members eligible to participate in the election process.

The effect of the preconference elections was to exacerbate Khalq-Parcham feuding. Babrak's speech to the conference referred repeatedly to the "factionalism" problem, highlighting his concern about what he referred to as "this old disease." Babrak stated that "when unity is weakened, the party faces weakness and defeat, even its existence faces danger." He denounced anarchism, lack of discipline, alien ideology, hostility toward new party members, and the related sins of nepotism, localism, tribalism, and ethnicity in forming party cadres.

During much of 1981 and particularly in early 1982, in the weeks immediately preceding the conference, the Parcham leadership engaged in an intensive drive to recruit new members. The purpose was twofold: to legitimize the party's claim to governing Afghanistan by giving it a larger membership and to neutralize the influence of the Khalqis.

By the time of the conference, a combination of coercion and enticements had netted the party enough new recruits to enable it for the first time to announce a membership figure: 62,000. At the ninth plenum in July, Babrak claimed that the number had increased to 70,000. Many observers estimate the membership at about 35,000–40,000.

About half of the members are in the armed forces. In August, Babrak said that there were 20,000 members in the army and that "the army party organization forms the greatest part of the PDPA." This figure would include members in the officer corps, which is predominantly Khalqi, and new members among conscripts—a captive group that has provided the Parchamis with a large portion of their new recruits. Many of these persons defect from the party at the same time they defect from the army. (Even if the party's figure of about 62,000 members is correct, they would constitute only 4% of Afghanistan's population, estimated at about 15 million before the Soviet invasion.)

In what appears to be a thinly veiled effort to isolate the Khalqis in the expanded party, the Parcham leadership announced at the conference a change of rules to authorize a more rapid influx into the party of workers and peasants by shortening the probationary period. Rules also have been changed to relax sponsorship requirements.

Relaxing the rules is likely to cause problems for the party leadership. Babrak and others have indicated that new members have not carried out their party duties satisfactorily. At the conference in March, one leader noted that nearly half the party was composed of young people (18 is the age of eligibility), and he complained of their lack of "political maturity."

The other main item on the conference agenda was to adopt a comprehensive "action plan" to galvanize members to promote party objectives. Babrak Karmal's speech implied that the right to be carried on the membership rolls would depend on a member's active participation in the defense of the revolution—in combat and in the high priority area of revitalizing the economy.

The Parchamis may have viewed the more strict criteria for membership as a way to purge the Khalqis. But Soviet advisers, who probably drafted the document, evidently saw it as a means of coercing the Khalqis to cooperate. Moscow has always been concerned

about antagonizing the Khalqis because of their strength in the military; for that reason, a major purge is unlikely.

The ninth central committee plenum of the party was convened in July without advance notice. At the time of the meeting, rumors of coup plots and of connivance between the Khalqis and the resistance were rife. Though the plenum ostensibly dealt with the need for party workers to get out among the people to sell the revolution, the gathering apparently focused on security problems and the continuing struggle between the Khalqis and the Parchamis. The crisis probably was ignited by the unsatisfactory outcome of the fifth Panjsher campaign and perhaps of other military offensives. High-level personnel changes were anticipated, including the removal of Khalq leader Gulabzoi from his position as Minister of Interior, but the most significant dismissal was that of General Gul Aqa, the Parcham political commissar in the Ministry of Defense who was held responsible for dispatching hundreds of volunteer party workers to their deaths in the Panjsher. Apparently a large proportion of the "volunteers" were Khalqis anxious to remain in the good graces of the Soviets by taking an active part in the war effort.

Divisions within Babrak's own Parcham faction remain. Relations between Babrak and Prime Minister Sultan Ali Keshtmand are cool. Keshtmand is ambitious and would like to step into Babrak's shoes as Moscow's favorite. As a former Minister of Planning who retains special responsibilities for the economy, Keshtmand is pushing hard for improvements in economic conditions to impress his Soviet mentors.

The ninth party plenum's directive to party members to work among the "masses" is the latest in a series of efforts to broaden the party's base. During 1981, the regime pursued this goal through the creation in June of an umbrella organization—the National Fatherland Front (NFF). Subsequent publicity has created the impression of a steadily growing organization that is opening up new provincial and district councils throughout the country. The anniversary of the front's founding was marked by a second plenum in Kabul in June 1982. The regime invokes the NFF when it wants to imply national support for such issues as a recent NFF-sponsored peace campaign. But the front is generally considered a facade; it has failed to achieve its purpose of mobilizing popular support for the regime.

Problems in the Economy

Both Kabul and Moscow publicly claim that Afghanistan has made considerable economic and social progress in spite of "interference" by the forces of "imperialism." In their own speeches, however, Afghan officials have expressed great concern over the continuing economic deterioration. For example, Babrak emphasized to the PDPA conference in March and again to the party plenum in July that "the economic front bears no less importance than the battle-front." Babrak continually stresses that the breakdown of the Afghan economy is a political problem that party members should solve. The regime is hoping to use improved economic conditions to generate popular support for the government, but the economy cannot be revived while so much of the countryside is under *mujahidin* control.

Afghanistan's economy rests primarily on agriculture. Over four-fifths of the population lives in rural areas. Reasonably good weather over the last few years has left the farmers in some areas not much worse off than they were before the Soviet invasion. Agricultural production, however, has fallen sharply. About 3 million Afghans (one-fifth of the population) have fled the country, most coming from rural areas and taking about 3 million animals with them. In areas of heavy fighting, including many of Afghanistan's most fertile valleys, crops have been destroyed or lost through lack of irrigation and cultivation. In the areas controlled by

towns and villages that have been heavily bombed by the Soviets. The population of Kabul has more than doubled since before the war to about 1.8 million. Although the authorities have tried to introduce price controls, recent emigrants report that basic commodities are in very short supply and that prices have skyrocketed.

In his campaign to win the support of the peasants, Babrak has outlined a program of land reform. The main innovation in this plan—as compared to the program applied by the Taraki regime in 1979 that stimulated the early growth of the resistance movement—is to accompany redistribution of land with the water rights needed to irrigate it. In conjunction with this program, Afghan and Soviet planners are seeking to restore damaged irrigation systems in 11 provinces.

The *mujahidin* have resisted these efforts. Preliminary phases of a pilot project in Deh Sabz district (adjacent to Kabul) have provoked strong opposition. There is little likelihood, therefore, that this project will be carried out, despite predictions of Babrak and his prime minister that agricultural production would rise as much as 3.1% for the Afghan calendar year (March 1982–March 1983).

The situation is no better in Afghanistan's small industrial sector. Emigration has seriously reduced the work force (both skilled and nonskilled), the transportation network is in disarray, and the *mujahidin* have shut down

Minister Keshtmand outlined an ambitious program of economic growth. He predicted a general increase in production of 6.3% with industrial growth of 10.3%, during the period from March 1982 to March 1983. These projections were predicated on 63 new projects to be carried out mostly with Soviet aid. The plan was based on the assumption that the more aggressive military strategy for 1982 would neutralize the *mujahidin* and reestablish the regime's authority in the provinces.

It was clear by late August that the military strategy was not working and that economic objectives were not being achieved. Keshtmand admitted to the Council of Ministers that performance during the first quarter of the year (March 21–June 21) was unsatisfactory. He indicated particular concern about shortcomings in the development of fuel resources, electricity, and minerals and raw materials. In particular, he mentioned the importance of increasing coal production as well as expanding oil and gas works, of getting started on the Aynak copper mine project in Lowgar Province, and of assuring adequate electricity for Kabul. Babrak's mid-year report to the Council of Ministers on October 3 indicated similar concern over these particular areas of the economy.

The stress on improving key sectors of the economy has been accompanied by high-level personnel shifts. Last spring, Prime Minister Keshtmand relinquished the planning portfolio to Dr. Khalil Ahmad Abawi, a professional planner. Keshtmand, however, retains special responsibilities in the economic sphere. The Ministry of Power and Irrigation was split in May into two entities, presumably a reflection of the importance attached to these areas. The former Deputy Minister of Agriculture and Land Reform, Abdul Ghafer Lakanwal, was elevated to the post of minister.

Afghanistan's natural gas industry is the only sector of the economy that functions more or less normally. Almost all of the gas produced from fields located near the Soviet border and developed by the U.S.S.R. in the early 1960s is exported to the U.S.S.R. The nominal price increases negotiated since the occupation are all that keeps Afghanistan's economic statistics from being worse than they are. Part of the earnings from sales of natural gas is applied to repayments on the outstanding debt to the Soviet Union; the remainder is registered as credits in the barter accounting system for trade between the two countries. In this way,

As a result of the decline in agricultural production and problems of distribution, the Soviet Union has had to supply food and other commodities to meet the basic needs of the cities, notably Kabul.

the *mujahidin*, what is produced is not shipped to urban markets, although this year military forces have appropriated harvested crops for the regime. As a result of the decline in agricultural production and problems of distribution, the Soviet Union has had to supply food and other commodities to meet the basic needs of the cities, notably Kabul.

Kabul's food problem this year has been greatly exacerbated by a large influx of refugees fleeing from nearby

many factories and virtually all development projects. At the party conference in March, Babrak listed government enterprises that have been disabled by the resistance, including "the cement factory in Herat, the textile mills in Herat and Qandahar, sugar factories and irrigation establishments." He stressed the importance of putting these plants back in operation, but there is no indication as of late fall that this has happened.

At the same conference, Prime

Afghanistan derives no hard currency benefit from its major export.

The Afghan economy continues to be tied tightly to that of the Soviet Union. An agreement signed in April 1981 called for trebling trade between the two countries during 1981-1985, as compared to the previous 5 years. Afghanistan's development plans are worked out by Soviet advisers; the emphasis on the development of fuel and mineral resources appears to have been dictated by Soviet requirements.

In mid-November, Babrak, speaking to a World Peace Council conference in Kabul on socioeconomic development, reviewed development achievements in Afghanistan. Most of the projects he listed are far behind schedule or at a standstill. The two that have been completed are conspicuous for their importance to Moscow: a new bridge linking the two countries over the Amu Darya River that was rushed to completion in May, a year ahead of schedule; and a satellite communication and television receiving system, inaugurated in late February. This system gives Moscow an important communications link and the opportunity to project its political propaganda into Afghanistan.

Nationality and Tribal Policy

Both Kabul and Moscow attach particular importance to the regime's nationality and tribal policy. This policy, implemented by Minister of Nationalities and Tribal Affairs Sulaiman Laeq, tries to exploit ethnic and tribal self-interest to win support from Afghanistan's diverse peoples. The seventh party plenum in December 1981 issued a special message to the tribes, and during the past year the regime has continued to try to exploit tribal sensibilities.

An important element in the regime's strategy is the effort to win over the tribes through cash, weapons, and privileges. These tactics appeared to be having some success at various times in 1982. Certain tribes seemed to lose their enthusiasm for the resistance and were said to have agreed to arrangements by which they would be exempted from the draft in return for guarding the border.

In most cases, however, tribal acceptance of regime blandishments has proved to be temporary and tactical. Tribes in Paktia Province near the Pakistani border rebelled twice during the year to turn back Soviet and Afghan forces that were trying to close off access to Pakistan. Likewise, tribes in Konar Province, adjoining Pakistan,

resumed armed resistance after allegedly having been neutralized by the regime. More recently, the regime provoked demonstrations when it tried to draft men who belonged to the border tribes in Paktia and Nangarhar Provinces.

The Resistance Movement

Resistance forces in Afghanistan demonstrated in 1982 that they could absorb hard blows by the Soviets and intensify their own operations. Most resistance organizations have survived this year's tough battles despite losses. For example, a respected commander was killed in the Paghman area in the spring. More recently, a young leader from the southern outskirts of Kabul was killed while leading an attack on a military garrison inside Kabul. In Lowgar Province, Soviet forces inflicted a heavy blow during the summer on resistance forces already weakened by friction among the *mujahidin*. In spite of some setbacks,

attacked convoys on all major routes to procure weapons, ammunition, food, and other supplies. The freedom fighters also have kept up their attacks on other targets such as government and party offices and installations in urban and district centers, including police posts and military garrisons.

The *mujahidin* have shown improved capabilities this year against Soviet combat aircraft, including Mi-24 helicopter gunships, and airbases, and against targets inside Kabul. The Soviet military headquarters, the Soviet Embassy, and the Kabul airport have all been hit by heavy *mujahidin* fire. Recently the guerrillas have exploded bombs in party offices and hangouts of the secret police in the center of Kabul.

Resistance operations in the Panjsher Valley, Paghman, and Kabul have received the most publicity, but freedom fighters also continue to engage Soviet and Afghan forces throughout the country. In Qandahar and Herat, for exam-

Mujahidin periodically cross into the Soviet Union on raiding parties and also receive assistance (and sometimes recruits) from their ethnic cousins across the river.

observers have concluded that the resistance is stronger at the end of the year than it was at the beginning.

Early 1982 was a difficult period that revealed the vulnerability of the resistance during winter months when the *mujahidin* have less mobility. Access to mountain trails for escape routes and to mountain redoubts for sanctuary is cut off by heavy winter snows. The *mujahidin*, for instance, suffered serious setbacks in Qandahar in the south in January and in Parvan Province, north of Kabul, where Soviet and regime forces trapped many freedom fighters and their supporters in an encircling operation in February. Nevertheless, the guerrillas continued harassing operations throughout the country during the winter. In January, a *mujahidin* gunner in Paktia Province downed a Soviet helicopter in which Lt. Gen. Shkidchenko was a passenger. Shkidchenko's death was reported in the Soviet press without reference to the circumstances.

Resistance activities picked up in the spring. *Mujahidin* renewed their harassment of the highways. They regularly

ple, the resistance continues to be effective in spite of repeated Soviet military campaigns. Indeed, *mujahidin* are once again operating inside Qandahar city from which the Soviets had forced them out last January.

The *mujahidin* are active in the northern provinces adjoining the U.S.S.R., despite the deployment of additional Soviet forces in this area. Indeed, *mujahidin* periodically cross into the Soviet Union on raiding parties and also receive assistance (and sometimes recruits) from their ethnic cousins across the river. When Babrak went to the Soviet Union in mid-May for the opening of the new bridge linking Termez, on the Soviet side, with Hairatan, there was no large public ceremony on the Afghan side; security conditions precluded such festivities.

The effectiveness of the parallel government run by the resistance varies from region to region. In the Panjsher Valley, Ahmad Shah Mahsud has mobilized virtually the entire population of 100,000 for the resistance struggle. In

some ethnically homogeneous areas—notably the Hazarajat and Nuristan—autonomous governments have been formed, although these governments have been weakened by internal dissension.

The resistance remains a collection of numerous separate movements. But cooperation between various elements has increased considerably in 1982. In the areas around major towns and cities, operations frequently are combined ventures involving several groups. Furthermore, such groups now cooperate in operational planning and in the procurement and sharing of weapons.

In Peshawar, the six major exile organizations have formed two alliances. In the field, cooperation cuts across alliance lines. In some places, local leaders have abandoned their Peshawar affiliations and have united under a local commander.

Nevertheless, in spite of improved unity, clashes occur periodically between rival bands. These battles occasionally have caused fairly heavy casualties and have led to disillusionment among the population of the localities where they occur. Friction among *mujahidin* groups, for example, has seriously weakened the resistance effort in Lowgar Province. The fighting stems from competition between groups to establish their authority over a given area, but there are increasing signs that the battles sometimes have been provoked by Soviet or regime agents.

In this situation, progress toward consolidating the resistance movement has been uneven. But the judgment of observers who have visited *mujahidin* groups in Afghanistan during the past year is that many are becoming better organized and are cooperating more effectively with one another.

Prominent Afghans in exile have stepped up their search for ways to overcome political divisions in the resistance movement and to bridge the gulf between themselves and the *mujahidin*. Former Prime Minister Youssuf has been active in this effort as has Abdul Rahman Pazhwak, a former Afghan diplomat who once served as President of the U.N. General Assembly. Pazhwak arrived in New Delhi from Kabul in late March and announced his intention to try to promote a government-in-exile. Before such a government can be established, however, serious conflicts within the resistance must be resolved and

difficult questions of leadership—including whether former King Zaher will have a role—must be answered.

The Afghan Refugees

In the period since the April 1978 Marxist coup in Kabul triggered the flow of refugees from Afghanistan to Pakistan, more than 2.7 million people have registered with the Pakistani authorities. This figure emerges from the reenumeration of the refugee population conducted by the Pakistan Government in 1982.

Refugees continue to enter Pakistan at a steady pace. The numbers have declined, probably reflecting the fact that many villagers close to Pakistan became refugees in the early stages of the war, while resistance leaders farther away from the border have urged the local population to stay in their villages. Also, victims of the war in the interior have moved to Kabul and other cities. In October, however, authorities in Pakistan noted a rise in refugees arriving in Pakistan, including people coming for the first time from the Panjsher Valley.

The international refugee relief program, sponsored by the U.N. High Commissioner for Refugees (UNHCR) and implemented by the Government of Pakistan, has been remarkably successful. Islamic communality and cross-border kinship in the tribal areas of Pakistan where most of the refugees are located have contributed to the welcome that Pakistan has extended to its Afghan guests.

In fiscal year 1982, the United States contributed over \$105 million in support of Afghan refugees in Pakistan. This figure includes about \$70 million worth of food aid given through the World Food Program (WFP), a U.N. agency, and about \$27 million donated through the UNHCR. The U.S. donation constitutes one-third of the total UNHCR budget and about 60% of the international food contribution. The balance of the U.S. contribution goes to several voluntary agencies.

In spite of the large international contribution, the Government of Pakistan bears the brunt of the relief effort. It pays a cash allowance to refugees and pays the costs of administering the relief program and providing transport for relief supplies. Furthermore, Pakistan has suffered environmental damage owing to the refugees' need for firewood and for grazing for their 3 million animals.

Despite some incidents, relations between the refugees and the local Pakistani population have been generally smooth. Nevertheless, the larger the refugee population becomes and the longer it remains, the greater the likelihood of friction. Although this prospect puts pressure on Pakistan to negotiate a political solution, President Zia has indicated that Pakistan would accommodate many more refugees if necessary.

The refugee population in Iran is estimated at between 500,000 and 1 million. Over 4,000 refugees of Turkic origin were resettled from Pakistan to Turkey in 1982, including a tribe of Kirghiz nomads from the Wakhan corridor. About 4,000 Afghan refugees were admitted to the United States during fiscal year 1982.

Long-Term Soviet Prospects

The most urgent Soviet priority in Afghanistan during 1982 has been the pursuit of its military objectives: eliminating the *mujahidin* forces and keeping the Afghan people from supporting the resistance. But Moscow also pursues a long-range policy of stimulating a more favorable political climate for itself and its proteges. A key element of this policy is the development of loyal cadres of young people through Sovietization of the Afghan educational system and extensive educational and training programs for Afghans in the Soviet Union.

Estimates of the number of Afghans currently studying in the U.S.S.R. vary from 6,000 to 10,000. This program, however, does not always achieve its purposes. Afghan students have encountered hostility from Soviet citizens angered by the loss of Soviet lives in Afghanistan. Some students have clashed with Soviet police.

Last summer, as in the two preceding years, a large number of Afghan children (1,200 in 1982) went to summer camp in the Soviet Union. Parents have complained about political indoctrination courses at these camps and also about Soviet and regime efforts to use children as informers.

Moscow is creating an infrastructure of Soviet-style institutions in Afghanistan on which it counts to mold the people in the Soviet image. The Soviets hope that key organizations, such as the National Fatherland Front, gradually will take root.

The regime's nationality and tribal policy also is part of Moscow's long-term

strategy. And Babrak's major effort to coopt religious leaders undoubtedly reflects Soviet direction.

The Afghan people have seen through these strategies and have largely resisted Soviet efforts to win their support through gifts of food and consumer goods. Over the longer term, however, growing hardship and suffering in Afghanistan could make the population more susceptible to Soviet blandishments, pressure, and propaganda.

Moscow continues to pursue its long-term objective of wearing down international resistance to the Babrak regime. A central element in this effort is to build up Babrak's international image and to strengthen ties between his regime and other receptive governments, primarily countries of Eastern Europe. In late May 1982, Babrak visited East Berlin and signed a Treaty of Friendship and Cooperation with the German Democratic Republic. In early October, he went to Hungary and signed a similar treaty. These visits followed trips to Bulgaria (December 1981), Czechoslovakia (June 1981), and Moscow (October 1980). The Soviets clearly hope that by keeping Babrak on the world stage, they can eventually persuade the international community to accept him as a legitimate head of government.

Regime officials, with Soviet assistance, have made great efforts to develop relations with the nonaligned world. Foreign Minister Dost has been actively seeking friends in the Middle East and South Asia but without signal success. In India, whose criticism of the Soviet invasion has been restrained, his approaches have produced mixed results. India agreed to revive a joint Indian-Afghan commission on economic, technical, and commercial relations, and in May signed a protocol envisaging a modest program of trade and technical assistance. Subsequently Mrs. Gandhi became more outspoken about the need for a withdrawal of Soviet troops from Afghanistan and made a statement to this effect at her press conference in Moscow in September.

The international community, however, through a fourth overwhelming vote in the United Nations (114-21), has demonstrated once again that it rejects the Babrak government's claim to legitimacy. The U.N. resolution calls for the immediate withdrawal of foreign troops from Afghanistan and a peaceful solution based on the principles of sovereignty, nonalignment, and self-determination, as well as for the creation of conditions in Afghanistan that would enable

the refugees to return with safety and honor. The resolution also requests the Secretary General to continue his efforts to promote a political solution in accordance with the resolution and to explore the possibility of securing appropriate guarantees of noninterference in neighboring states. The size of the vote in favor of this resolution is impressive evidence of continuing international concern.

Indeed, the spotlight on Afghanistan grows brighter each year. The number of journalists and photographers who have traveled inside Afghanistan with the *mujahidin* has increased, as has coverage in the international press and on television. Such events as the Florence Colloquium on Afghanistan and international observances of Afghanistan Day, both in March 1982, and the Bertrand Russell Tribunal meeting in Paris in December 1982 all serve to emphasize the importance of the issue. Nevertheless, the international publicity is periodic, while the suffering of the Afghan people is constant. The discrepancy between the magnitude of the tragedy and the international attention it receives works very much to Moscow's advantage.

Prospects For a Political Solution

Indirect talks on Afghanistan in Geneva in June 1982 drew international attention to the U.N. effort to seek a negotiated solution. The U.N. mission was originally mandated in November 1980 by the General Assembly and was launched in 1981 under the aegis of Secretary General Waldheim and his "personal representative" for Afghanistan, Perez de Cuellar.

In early August 1981, during his second trip to South Asia to deal with this problem, Perez de Cuellar won two concessions from the Soviets and the Babrak regime: The United Nations would play an active role in negotiations concerning Afghanistan; and Kabul would engage in negotiations with Pakistan and Iran together, rather than insisting on dealing bilaterally with each one. The latter point is important to Pakistan because, by pursuing a political solution in tandem with Iran, Pakistan will be in conformity with the resolution of the Islamic Conference in May 1980.

Kabul's concessions, which were procedural only, were embodied in the

Afghan proposals of August 1981; these, in other respects, were a repetition of its original proposals of May 14, 1980. The May 14 proposals in essence stated that Babrak's regime must be recognized as a legitimate government and that the Soviet troops will leave Afghanistan when what Kabul calls "outside interference" (the resistance) stops. The May 14 proposals also call for international guarantees for such a settlement.

The U.N. mission was temporarily interrupted when Waldheim was replaced by Perez de Cuellar in late 1981. In February 1982, Perez de Cuellar, following a formula devised by Waldheim, appointed Diego Cordovez, U.N. Undersecretary for Special Political Affairs, as his "personal representative" for Afghanistan.

By mid-April 1982, Cordovez was shuttling between Kabul and Islamabad, visiting each twice, prior to a stop in Tehran. Shortly after his return to New York, the United Nations announced on April 21 that both the Pakistanis and the Babrak regime had agreed to hold indirect talks in Geneva in June. Iran would not participate directly, but agreed to be kept informed and thus to be associated with the talks. The announcement also stated that the involved parties had agreed to discuss the following issues: "the withdrawal of foreign troops, non-interference in the internal affairs of states, international guarantees of non-interference and the voluntary return of the refugees to their homes."

The Geneva talks lasted from June 15 to June 24. The Iranians made it clear that they were not participating because the "real representatives of Afghanistan," i.e., the *mujahidin*, were not represented. Spokesmen for the Afghan resistance movement protested the talks for the same reason. The Soviets did not participate but sent high-level experts in Afghan affairs to Geneva.

Following the conclusion of the Geneva discussions, the United Nations, Pakistan, and Afghanistan all issued positive statements and indicated that there was a measure of flexibility in the negotiating positions of both sides. At a press conference on June 25, Diego Cordovez referred to "certain important political concessions."

He disclosed that he had kept a written record of the "understandings" that

he believed had been reached and that he would be working from these "texts" in subsequent discussions with the involved parties. Cordovez emphasized that the talks had moved beyond procedural questions to specific discussions on the basic substantive matters and stated that "we concluded a kind of package of understanding."

Although he did not discuss specifics, he said in response to questions that a beginning had been made to work out arrangements to hold discussions with Afghan refugees concerning the terms for their return and that the question of self-determination had been "touched on." These could be important developments because they relate ultimately to the difficult problem of constituting a government acceptable to both Moscow and the *mujahidin*.

The central issue of the negotiations, however, is whether the U.S.S.R. is seriously interested at this stage in negotiating a withdrawal of its troops from Afghanistan. The "flexibility" reportedly demonstrated by the Kabul/Moscow side at Geneva has yet to be put to the test. But it should become apparent rather soon whether Moscow's support of the U.N. process is genuine or tactical. Cordovez will resume his negotiating mission in January 1983 with another trip to South Asia, and he will attempt to pin down the specific details of the comprehensive settlement he envisages.

The United States seeks the total withdrawal of Soviet troops from Afghanistan through a negotiated settlement, which will also provide for other essential requirements spelled out in four U.N. resolutions on Afghanistan: the self-determination of the Afghan people, the independent and nonaligned status of Afghanistan, and the return of the refugees with safety and honor. The United States supports U.N. efforts to achieve these goals.

¹See BULLETIN of March 1982, p. 19. ■

Afghanistan

by Lawrence S. Eagleburger

Statement made to the press on December 22, 1982. Ambassador Eagleburger is Under Secretary for Political Affairs.

Three years after the Soviet invasion, the struggle for freedom in Afghanistan continues. The military situation can best be described as a stalemate. The augmentation of Soviet forces to 105,000 and a greatly intensified Soviet offensive during the past spring and summer have produced only very limited gains, if any. After 3 years of increasingly harsh and destructive occupation—and even with the use of chemical warfare—the Soviet Union has not been able to accomplish what it set out to do—strengthen the Marxist/Communist government in Kabul and eliminate the resistance.

This is due to the incredible spirit, courage, and tenacity of the Afghan people; they deserve the admiration and support of free people everywhere. I don't know of another example in the world today where a small and ill-equipped people has stood up to the might of a tremendous military power with such effectiveness.

As you know, this Administration views the Soviet invasion and continuing occupation of Afghanistan in a broad strategic context. It is an example of Soviet willingness to use its growing military might beyond its borders and in ways that threaten American interests, the interests of the West in an area of great strategic importance, the interests of the Islamic world, and the interests of the subcontinent.

For these reasons we believe it is absolutely essential that Soviet aggression in Afghanistan be checked. The world must not forget Afghanistan. In the U.N. General Assembly, under Pakistan's leadership, another resolution on the Afghanistan situation was passed by an overwhelming majority at the end of November. In other meetings, such as the Islamic Conference, resolutions calling for Soviet withdrawal remain agenda items of the greatest importance. In Moscow, Afghanistan was a major item of discussion with the new Soviet leadership following President Brezhnev's

funeral. In Washington, a few days ago, President Reagan and President Zia of Pakistan had a searching discussion on Afghanistan. I might add that U.S. and Pakistan policies remain close and compatible. In brief, the Soviet invasion of Afghanistan remains an issue of primary world importance, just as it should be.

The position of the U.S. Government in regard to Afghanistan is clear. We seek the total withdrawal of Soviet troops from Afghanistan in the context of a negotiated settlement, which will also provide for the self-determination of the Afghan people, the independent and nonaligned status of Afghanistan, and the return of the refugees with safety and honor. These elements of a settlement have been spelled out in four U.N. General Assembly resolutions.

In order to achieve a negotiated settlement, we, like Pakistan, feel every reasonable avenue must be explored. Thus we support the efforts of the U.N. Secretary General's personal representative, Diego Cordovez, as he prepares to continue his indirect talks in the region in January. We understand Mr. Cordovez will carry with him a draft or outline of a possible framework for a settlement. We have not seen it, and, therefore, I cannot comment on what he will be suggesting as the basis for discussion. We have said we will support the U.N. process as long as it is consistent with the U.N. General Assembly resolutions on Afghanistan and does not tend to legitimize the Babrak Karmal regime.

Since the leadership change in Moscow, there has been a great deal of press speculation and comment on the possibility of Soviet flexibility toward a negotiated solution in Afghanistan. Thus far we have had no meaningful indications of Soviet intentions. We would welcome signs of Soviet willingness to work seriously for a negotiated settlement that will return Afghanistan to the Afghans. ■

Balancing Strategic Interests and Human Rights in South Asia

by David T. Schneider

Statement before the Subcommittees on Asian and Pacific Affairs and on Human Rights and International Organizations of the House Foreign Affairs Committee on December 9, 1982. Mr. Schneider is Deputy Assistant Secretary for Near Eastern and South Asian Affairs.¹

I am pleased to have this opportunity to testify on the problem we face in balancing our strategic interests and human rights concerns in the countries of South Asia—Afghanistan, Bangladesh, India, Nepal, Pakistan, and Sri Lanka.

Our objective is to promote and protect human rights—not against our strategic interests but in conjunction with them. This Administration believes that in the long run, American human rights concerns and strategic interests point generally in the same direction. The development of stable democratic institutions, greater tolerance for free speech, popular participation in government, and respect for fundamental human rights will lead to enhanced stability and prospects for peace.

In South Asia, our strategic interests focus on deterring Soviet expansionism in a region whose geographic proximity to the Persian Gulf and the sealanes leading to it have highlighted its importance to us. To this end, we cooperate in various ways—whether through diplomatic dialogue or security assistance—to promote the security of the region. Concurrently we support economic growth and political stability aimed at fostering strong and independent South Asian nations which can accord basic human rights to their citizens. South Asian countries are among the very poorest in the world, making all the more critical the interrelationship of our security, developmental, and human rights goals.

President Reagan has committed the United States to make a greater effort internationally to assist the development of democracy. The President believes that support for the growth of democracy should be an important dimension of the foreign relations of the United States and other democratic nations. There is no single model that is applicable to all countries. However, democracies—no matter what

shape—are built upon a set of basic principles which we believe are valid in most societies and, where followed, have resulted in nations with relatively stable political and economic systems flexible enough to meet a complex, changing international environment and respect for human rights.

While each country must find its own way toward representative institutions, we have fostered an understanding of democratic values and processes in South Asia in a variety of ways, including our development programs and information and visitor exchange. We have quietly used our diplomacy to encourage broader participation in government. We are now exploring the possibilities for specific activities to help enhance representative systems in India, Sri Lanka, and Nepal and to promote such systems in the other nations of South Asia.

A discussion of specific countries in South Asia will serve to highlight our approach to promoting both U.S. strategic interests and human rights.

India

India is a key nation in a region of the world important to U.S. strategic interests. It is the largest nation in South Asia in terms of its population, economy, and military strength. India has a remarkable record of over three decades of democratic rule—seven general elections; five peaceful changes of national government. Indian democracy has endured almost to the point at which the world takes it for granted. In fact, the Administration attaches great importance to maintaining constructive relations with India and has sought ways to expand its dialogue with India and to work together more closely. The visit of Prime Minister Gandhi here this summer and the solid progress made on the initiatives announced at that time demonstrate the interest on both sides in seeking a better understanding and finding ways to strengthen the already extensive ongoing ties. As a part of this process, the Indo-U.S. Joint Commission—with its subcommissions on science and technology, economics and commerce, agriculture, and education and culture—have been revitalized. As a result of a decision at the time of

Mrs. Gandhi's visit, our political dialogue has been intensified by the recent visit to India for bilateral talks of Under Secretary [for Political Affairs Lawrence S.] Eagleburger. The Government of India has issued a special invitation to Secretary Shultz to visit New Delhi.

In particular, we see good scope for enhanced cooperation in the economic, commercial, and scientific areas. We are encouraging U.S. firms to take advantage of new opportunities in India which are the result of the improved business climate there. American companies can thereby contribute their unique talents and technology to assisting India's development efforts through private sector-to-private sector collaboration. The President's science adviser led a senior group to India last month to lay the groundwork for enhanced joint cooperation in certain specialized fields of science. We recently invited a group of Indian parliamentarians, including the speaker, to observe the congressional elections.

Since India won independence in 1947, the United States has admired its vigorous democratic process and has been the major foreign contributor to Indian economic development. Our two countries have worked closely in bringing about remarkable success in Indian agriculture. Over the years, there has been extensive interaction between our nations, including the education of tens of thousands of Indians in American universities. We also have a modest military cooperation program with India—some cash sales of equipment and training of a few military officers—which supports our security and democracy objectives. The issue of civilian supremacy over the military does not arise in India, which stands as a model throughout the world for its scrupulous adherence to the principle of civilian control.

Sri Lanka

Sri Lanka is strategically located astride the major ocean trade routes of the Indian Ocean and offers access for U.S. Navy vessels. Our substantial economic development program, training for military students, and active political dialogue serve to demonstrate strong U.S. support for this strategic and democratic country. Since independence Sri Lanka has had a history of free elections and active popular participation. Sri Lanka's current government also favors a market-oriented, free enterprise

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economic approach. In addition to helping fund two of the three lead projects in Sri Lanka's development strategy, we are encouraging U.S. firms to consider investing in the country's free trade zone.

Nepal

Nepal forms an important buffer between India and China. U.S. interests center on its strategic location and on our consequent interest in orderly economic development and the evolution of stable political institutions which provide for public participation in government. While Nepal's constitution specifies that the king is the sole source of authority for all government institutions, the country has recently made dramatic progress toward its own sort of representative institutions. By referendum Nepal chose the partyless panchayat form of representation, and the country has now launched its own experiment in participatory government. Accompanying this has been a trend toward broader enjoyment of a wide range of human rights.

Our commitment to assist Nepal's economic development goes back to 1951 when the country ended its self-imposed isolation. We also provide training in the United States for two Nepali military officers, exposing them to American attitudes toward the role of the military in society.

Bangladesh

Bangladesh was born in conflict in 1971, a time when political turmoil threatened the security and stability of the entire subcontinent. In the decade since independence, the country has suffered from severe political and economic difficulties. Events during the past year have returned this struggling country to military rule. We have welcomed and encouraged the stated intention of the present government to return the country to civilian rule. Economic development and political stability are inextricably linked in Bangladesh, and we view a return to representative government as a key element of political stability. Our assistance program has evolved from emergency relief to long-term development, which we hope can foster stability and encourage civilian representative rule. Our military training program (\$225,000) exposes Bangladeshi officers to American democratic values and is important to our policies in that country because of the influential role the military plays in government.

Pakistan

I would now like to turn to Pakistan, the country most directly threatened by recent aggressive Soviet moves in the region and of critical importance in regard to U.S. strategic interests in the

Persian Gulf-Indian Ocean area and to our goal of stability in South and Southwest Asia.

In 1981 the United States reached agreement with Pakistan, subject to annual appropriation by the Congress, to

Anniversary of the Soviet Invasion of Afghanistan

PRESIDENT'S STATEMENT, DEC. 26, 1982¹

At this holiday season when most Americans are warmed and comforted by their family relationships and the blessings of this country, it is hard for us to realize that far away in a remote and mountainous land a valiant people is putting up a fight for freedom that affects us all. No matter how far removed from our daily lives, Afghanistan is a struggle we must not forget.

Afghanistan is important to the world, because the Afghan people are resisting Soviet imperialism. Three years ago on December 27, 1979, the Soviet Union invaded Afghanistan and installed a new Communist leader to head the Marxist regime that had taken power in 1978. For the first time since the immediate aftermath of World War II, the Soviets used a large-scale military force outside their borders and Eastern Europe to try to impose their will. If this aggression should succeed, it will have dangerous impact on the safety of free men everywhere.

Three years after the invasion, the Soviet occupation of Afghanistan is not a success. Even with the augmentation of their forces to close to 105,000 men this year, the Soviets, with the puppet Karmal regime, have not been able to control the countryside or secure many cities. They have failed to rebuild the Communist-controlled Afghan Army and to create an effective government.

This is due to the spirit and will of the majority of the Afghan people, and to the *mujahidin*, the freedom-fighters, who continue to resist the Soviet invaders. In the face of repeated offensive campaigns during the spring and summer of 1982, the *mujahidin* were able to drop back and then regain their positions once the Soviet forces had withdrawn. Their forces and their will remain intact.

We must recognize that the human

costs of this struggle are immense. With the more intense fighting in 1982, casualties on both sides rose, and the civilian population suffered more than ever before. Crops and fields were destroyed by the Soviets, trying to deny to the *mujahidin* the support of the local population. Homes, and even entire villages, were leveled. We have convincing proof chemical weapons have been used by the Soviets against the Afghans. The refugee population has continued to grow, both in Pakistan and in Afghanistan, as peasants flee the destruction of war. It is a sad but inspiring story.

The United States does not intend to forget these brave people and their struggle. We have said repeatedly that we support a negotiated settlement for Afghanistan predicated on the complete withdrawal of Soviet troops. We joined the vast majority of the world community at the United Nations again in November in support of a resolution calling for a settlement along these lines. Just a few weeks ago, during his visit to the United States, I discussed with President Zia of Pakistan the need for a solution to the Afghanistan problem. We are both committed to a negotiated settlement that will return Afghanistan to the ranks of independent, nonaligned nations.

We in the United States sincerely hope that the new leadership of the Soviet Union will take advantage of the opportunities the new year will no doubt offer to achieve a solution for Afghanistan. The American people do not want to see the suffering and deprivation of the Afghan people continue, but we will not grow weary or abandon them and their cause of freedom.

It is our hope for 1983 that a free, independent Afghan nation will again find its place in the world community. We will not cease to support Afghan efforts to that end.

¹Text from Weekly Compilation of Presidential Documents of Jan. 3, 1983. ■

provide \$3.2 billion in foreign military sales credits and economic assistance over a period of 6 years. We take this action in support of Pakistan's strong, principled stand against the Soviet invasion of Afghanistan and its leading role in international efforts to induce withdrawal of Soviet forces from Afghanistan. Our assistance programs are intended both to help Pakistan modernize its military forces and to promote internal stability through economic development. Our security commitment is a major element in assuring that Pakistan will be able to sustain its stand against Soviet aggression and thereby protect vital U.S. strategic interests in this crucial region.

During its 35 years of independence, Pakistan has sought effective government through a variety of regimes. This history has been influenced by a number of factors. Throughout its history, Pakistan has been preoccupied with a search for its national identity and, in particular, a definition of the position of Islam in its national character. In addition the social, political, economic, regional, and ethnic differences which characterize Pakistan's diverse society have frequently led to political turmoil. Pakistan's human rights problem derives from this difficult experience.

We believe it important that our policies toward Pakistan take into account these causes of instability as well as our national security interests in the area. Within this context, we have sought to encourage the evolution of representative government in accordance with the view that such institutions would help Pakistan to deal with the conflicting pressures it faces. Nevertheless we recognize Pakistan's right to try to evolve its own forms which take into account its traditions and problems. We also recognize that, while there are undeniably human rights problems, in many ways this regime is moderate in comparison to some of the previous ones.

We have, of course, discussed these human rights issues with the Pakistani leadership and will continue to do so. While our dialogue on human rights, for the most part, has been a private one, our ambassador in Pakistan has also sought to gain public understanding of our support for more representative forms of government.

Another factor which we believe our policies must take into consideration is our interest in the human rights situation in the region as a whole. Here, of course, I refer to Afghanistan. It has

been with great economic and political sacrifice and no little strain that Pakistan has welcomed into its territory almost 3 million Afghan refugees who have been forced to seek temporary asylum from the Soviet assault on their freedom and independence. The phenomenon of masses of refugees fleeing from political oppression is a common one in the contemporary world. No nation, however, has shown greater hospitality and tolerance to such a flow than Pakistan. Further, despite the threat to Pakistan itself, the Pakistanis have bravely offered their support in international fora around the world to the Afghan freedom fighters and the concept of a free and independent Afghanistan. Pakistani support is important to the reestablishment of human rights in Afghanistan, a major U.S. cause.

Our security assistance to Pakistan

is not extended in support of any particular government in power. It is aid to Pakistan as a nation. We believe the Pakistani people understand it in this light and support our policies.

I have sought to review briefly how we seek to take into account both our strategic interests and our human rights concerns in the South Asian region. I believe we can take pride in the achievements of the countries located there. Their record, whether in the development of democratic government or in the support to an oppressed neighboring people, is deserving of our support, and it has our support.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Pakistan's President

President Mohammad Zia-ul-Haq of the Islamic Republic of Pakistan made a state visit to the United States December 6-14, 1982. While in Washington, D.C., December 6-9, he met with President Reagan and other government officials.

Following are the remarks made by Presidents Reagan and Zia at the arrival ceremony and their exchange of dinner toasts, both on December 7.¹

ARRIVAL CEREMONY, DEC. 7, 1982²

President Reagan

It's a great pleasure for Nancy and me to welcome you to Washington today. Your visit to the United States this week both symbolizes and strengthens the close ties which exist between our two countries.

As you arrive here, the world, and your region in particular, are passing through a critical phase. We confront serious challenges that by choice and necessity will draw our peoples ever closer. It's vital that those nations committed to peace and progress work diligently together to achieve those goals.

One of Pakistan's founding fathers, Prime Minister Liaquat Ali Khan, visited Washington in 1950. And speaking

before the U.S. Senate, he described our continuing challenge. He said, "This is the century of great awakenings in all parts of the globe. And it depends entirely on the leaders of the world whether mankind will awaken to the horrors of darkness or to a glorious dawn." His words ring true even now.

Pakistan today stands in the front rank of the nations shouldering a great responsibility for mankind. Your courageous and compassionate role in giving shelter to millions of Afghan refugees is well known to the American people and will long be remembered. We're proud to stand with you, helping to provide for these tragic victims of aggression, while, at the same time, seeking a peaceful resolution of the circumstances which brought them to your country.

We also applaud your efforts and those of the Indian Government to reconcile your differences. The steps you take today to deter these relations will bring incalculable benefit to all the people of the subcontinent and will be memorialized in improvement of their lives.

Similarly, Pakistan's positive response to peace efforts in the Middle East have contributed to our confidence that our two countries can work together for peace and stability. After many years of disappointment, there is growing recognition in the Middle East

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that a continuation of violence can only breed a worsening conflict. This cycle must be broken. We're gratified to know that we can count on Pakistan's cooperation in confronting these perplexing problems.

We believe that the program of economic and security assistance on which we embarked last year will contribute to the tranquility and progress of the entire region, and it's our hope that reinvigoration of the relationship between our two countries will enable Pakistan to maintain its courageous stand on behalf of peace and amity of nations.

The U.S.-Pakistani friendship, which stretches back over 30 years, has been tested by time and change. It has endured, and, because of the substantial agreement between us on the great issues of peace, development, and security, it grows stronger daily.

Underlying our ties, however, is something which is even more critical in an enduring relationship and that is the warmth and understanding that exist between the people of our countries. This friendship is based on the mutual warmth and affection which have developed between our people, something which no government can mandate and which is, indeed, a cherished possession.

When you leave us and leave the United States next week, we want you to return home secure in the knowledge that the American people support close ties with Pakistan and look forward to expanding them in the coming years. We hope the friendship and hospitality that you receive during your stay will underline our good will and the permanence of our bond.

President Zia

In the name of Allah, the beneficent, the merciful. Praise be to Allah, Lord of the Worlds, and blessing and peace be upon the seal of the last of the prophets.

May I thank you most sincerely for your very kind words of welcome, for the warmth with which we have been received, and the generous hospitality that has already been extended to me, my wife, and the members of my delegation since we arrived in your great country.

I am no stranger to the United States. I've had the honor of coming here a few times before. But each time I



(White House photo by Michael Evans)

have felt that it was a new experience for me. Perhaps this is because of the perpetual freshness, the vibrant dynamism, and the ceaseless, forward movement which characterize this great nation of yours.

My visit this time is not just one of discovery or rediscovery. I take it as a visit of great importance for renewal and reaffirmation: renewal of a friendship that has to us many ups and downs and reaffirmation of those shared values and perceptions on which our relationship is based. I, therefore, look forward to the strengthening of our ties as the years go by.

West and southwest Asia, from the eastern Mediterranean to Afghanistan, is today in ferment. Armed aggression, military intervention, conflicts, disregard for universally accepted principles of international conduct have all combined to present a serious challenge to the security of the countries of this region. This in turn threatens to undermine the whole structure of the international relations upon which the peace of the world ultimately rests.

Pakistan's continued commitment to the principle of nonalignment and to the

objectives of the Islamic Conference are the fundamental postulates of its foreign policy. Pakistan is endeavoring to contribute effectively to the peace and stability of a troubled and turbulent region. But we cannot ourselves long remain immune from the dangers around us, nor have we, in fact, escaped their consequences.

The responsibility for providing refuge and a safe haven for nearly 3 million fleeing the repression in Afghanistan has been shouldered by our people as a humanitarian duty in the spirit of Islamic brotherhood. Nevertheless, the burdens are there, especially for a developing country like Pakistan.

But at the same time I must emphasize that we have borne these burdens ungrudgingly, and we will continue to do so, *enshallah*. We are conscious of the security implications of the great developments across our border. The qualitative change brought about by these developments and their impact on the entire region have evoked a response from the United States, which we appreciate.

It was as a result of our common concern that our two governments decided on a program to enhance Pakistan's potential to withstand external forces of disruption and continue to play a stabilizing role in the region.

It's our consistent endeavor to find equitable and humane solutions to the conflicts in our region. This task can only be accomplished through negotiations and mutual accommodation within the framework of the principles and resolutions of the United Nations. It must also inevitably entail the proper regard for the individual and collective dignity of the peoples involved.

In this endeavor, we have been fortunate to have your understanding. What is more, I claim that we have your friendship as well—a friendship mature enough to withstand differences of opinion and mirrored by the very candor and sincerity of our mutual exchanges. For all this, we're indeed very grateful to you.

I have come here to deepen and strengthen this friendship. I'm looking forward to our talks later this morning. And I have no doubt that they will lead us to this goal and that our respective efforts on behalf of peace and stability in our region and in the world in

general, *enshallah*, shall bear fruit. Indeed, borrowing your own words, it will be in the fitness of the things for me to conclude by saying, that you and I have a rendezvous with destiny.

DINNER TOASTS, DEC. 7, 1982

President Reagan

President Zia, Begum Zia, distinguished guests, it's an honor for me to welcome you to the White House this evening.

Our talks this morning underlined again the strong links between our countries. We find ourselves even more frequently in agreement on our goals and objectives. And we, for example, applaud your deep commitment to peaceful progress in the Middle East and South Asia, a resolve which bolsters our hopes and the hopes of millions.

In the last few years, in particular, your country has come to the forefront of the struggle to construct a framework for peace in your region, an undertaking which includes your strenuous efforts to bring peaceful resolution to the crisis in Afghanistan—a resolution which will enable the millions of refugees currently seeking shelter in Pakistan to go home in peace and honor. Further, you've worked to insure that progress continues toward improving the relationship between Pakistan and India. And in all these efforts the United States has supported your objectives and will applaud your success.

A great intellectual forefather of Pakistan, Muhammed Iqbal, once said that, "The secret of life is in the seeking." Today the people of the United States and Pakistan are seeking the same goals. Your commitment to peace and progress in South Asia and the Middle East has reinforced our commitment to Pakistan. We want to assure you and the people of your country that we will not waver in this commitment.

Our relationship is deep and long-standing. It stretches back to Pakistan's first days of independence. It stretches forward as far as we can see. It's based on mutual interest, yes, but also on shared visions and goals in the world around us. It is based, as well, on the

fact that the people of both our countries sincerely value the good relations and the affinity between us.

Our people already work together in significant ways through educational exchanges, tourism, economic cooperation, and through bonds of family and friendship. We have cooperative programs in science and technology and in agriculture, and we hope to explore with the Government of Pakistan various ways of enhancing cooperation.

Differences may come between our nations or have come between our na-

tions in the past, but they've proven to be transitory while the ties which bind us together grow stronger year by year. As we welcome you here tonight as the representative of your country and its people, we can say with confidence that those ties will continue to grow stronger and that the good will which exists between our two countries will prove to be both true and lasting.

And, Mr. President, I propose a toast to you, to the people of Pakistan, and to the friendship that binds our nations together.

President Zia

In the name of Allah, the beneficent, the merciful, we praise Him and we send blessings on His honored messenger.

After hearing such an eloquent speech from—Mr. President, from you, and having had such a sumptuous—so well presented in such a fine company—a meal that I will perhaps cherish for many years to come, I see very little that I can add to what you have very kindly said. But still my wife and I, as well as the members of my delegation, are most grateful to you for the honor you have done us in hosting this delightful banquet for us tonight. I have been deeply touched by the sentiments of your friendship that you have expressed toward me and my country, which are most warmly reciprocated.

The people of Pakistan are deeply committed to molding their lives and building their institutions in keeping with the dictates of Islam. Islam ordains upon—follows a belief in the equality and universal brotherhood of mankind. It was the dedication of your Founding Fathers to similar ideals that created this great republic, the United States of America.

Your country has been called the melting pot of people from all over the world. This is a trait we share with you, though, perhaps, on a very smaller scale. Let me, therefore, take you back to Pakistan, if I can.

Herein lies the Indus Valley, which is the heartland of Pakistan. This valley has been a veritable thoroughfare throughout history. Untold millions, representing all the major races of the

Pakistan—A Profile

Geography

Area: 310,527 sq. mi., excluding Jammu and Kashmir which are in dispute with India (about the size of Calif.). **Capital:** Islamabad (pop. 250,000). **Other Cities:** Karachi (3.5 million), Lahore (2.1 million).

People

Population: 81.5 million (1980). **Annual Growth Rate:** 3%. **Ethnic Groups:** Punjabi, Sindhi, Pushtan (Pathan), Baluchi. **Religions:** Muslim (97%), small minorities of Christians, Hindu, and others. **Languages:** Urdu (official), English, Punjabi, Sindhi, Pushtu, Baluchi. **Literacy:** 24%.

Government

Type: Martial law regime established in 1977. **Independence:** Aug. 14, 1947. **Branches:** *Executive*—Chief Martial Law Administrator (President), cabinet. *Legislative*—Senate and National Assembly. *Judicial*—Military courts, provincial high courts, Supreme Court. Chief Martial Law Administrator appoints ministers and judges. **Political Parties:** Political parties were suspended in 1977, following the imposition of martial law. Some political activity was subsequently allowed. In Oct. 1979, general elections scheduled for Nov. were postponed, and political party activity was banned. **Political Subdivisions:** 4 provinces, tribal areas, federal capital.

Economy

GNP: \$23 billion (FY 1980). **Annual Growth Rate:** 6.4% (1978–80). **Per Capita Income:** \$289. **Natural Resources:** Land, extensive natural gas, limited petroleum, poor quality coal, iron ore. **Agriculture:** Wheat, cotton, rice. **Industries:** Cotton textiles, food processing, tobacco, engineering, chemicals, natural gas. **Trade (FY 1980): Exports**—\$2.3 billion: rice, raw cotton, yarn, textiles, light manufactured products. **Imports**—\$4.8 billion: capital goods, raw materials, crude oil, consumer items. **Major Trading Partners**—Far East, EC, Middle East, U.S. ■

SOUTH ASIA

Eurasian mass, have made their way through our mountain passes to settle in or to pass through the Indus Valley. They came in all guises. They came as conquering hordes, as defeated or wandering tribes, as mystics and missionaries, as saints and sultans, and even as tourists and traders, both ancient and modern. And 35 years ago, many millions of Muslims of the South Asian subcontinent came together to help build a dream called Pakistan.

Thus we are, indeed, the heirs to a rich and a varied if also somewhat turbulent historical heritage. But by the same token, we are a vigorous people with an innate feel for the movements of history.

And unfortunately, a new and menacing turbulence has arisen in our region. More than a fifth of the entire population of Afghanistan has been compelled to seek shelter in Pakistan as a result of the armed intervention in that country by a foreign power. We are bending our effort to resolve this tragic situation through a peaceful political settlement, in accordance with the principles enunciated by the international community. The latest manifestation of this was the resolution of Afghanistan adopted by the U.N. General Assembly, once again with the overwhelming support of the member states.

There are other turbulences in our region. The war between Iran and Iraq and the suffering recently visited upon the Lebanese and Palestinian people continue to cause us profound concern and anguish.

The situation calls for difficult yet courageous decisions. The most important of these is to find a just and a durable solution to the Palestinian problem, in accordance with the national rights of the Palestinian people. If I may be permitted to recall my words, it is for the first time that Arabs have put up a

unified plan for the solution of the Palestine problem. To the best of my knowledge, it is for the first time that the President of the United States of America has put up a very comprehensive plan with some very positive elements in this.

Knowing your humane qualities, knowing you as a man of God, knowing you as a man of peace, I urge you not to leave this opportunity that is coming your way. I request you to be yourself, to find the rest of you and take this bold step, because history will then remember you not only as Reagan of the United States of America but Reagan the Peacemaker, the Reagan who solved practically an insolvable problem. We in Pakistan wish you to take this initiative, and we wish you all the best. And we will pray for your success.

Earlier today in our personal discussion and in the talks including our colleagues, I had an opportunity to discuss these and other issues with you. I'm deeply gratified by the manner in which you made clear your continuing and deep-felt interest in the welfare and prosperity of the people of Pakistan and your support for what we are doing for the sake of stability in our region.

In turn, I would like to assure you of our confidence that with your acknowledged qualities of human understanding and with the high principled tradition of your country behind you, the United States will keep faith with its friends and well-wishers.

Allow me to thank you also for what

you have said, for what you have said about the continued relationship between Pakistan and the United States of America. We cherish this union of partners—though unequal partners—but as two sovereign states comprising of people who love each other, comprising of people who have love and regard for humanity, comprising of people who love peace. And, as you said about the United States of America, that if the country has been created, God must have ordained this to be a country of peace.

Spread this America to areas other than the United States of America. Let America be the torchbearer of peace, peace not only on the American continent but peace in Afghanistan, peace in Vietnam, peace in Somalia, and above all, peace in Palestine. We wish you all the best in your endeavors. And you will never find Pakistan faltering. We'll be there right behind you to give you the helping hand, if we can, at the moment that you wish us to do so.

With these words, may I request you, ladies and gentlemen, to join me in a toast to the health and happiness of President Reagan and his charming wife, Mrs. Nancy Reagan, the continued progress and prosperity of the people of the United States, the establishment of peace, stability, and justice throughout the world. To the health and happiness of all friends who are present here tonight. And, finally, a continuing friendship between Pakistan and the United States of America.

¹Texts from Weekly Compilation of Presidential Documents of Dec. 13, 1982.

²Held on the South Lawn of the White House where President Zia was accorded a formal welcome with full military honors. ■

UNISPACE 82 Held in Vienna

The Second U.N. Conference on the Exploration and Peaceful Uses of Outer Space (UNISPACE 82) was held August 9-21, 1982, in Vienna and attended by representatives from 94 countries.

Following are a statement by Ambassador James M. Beggs, head of the U.S. delegation; the text of a U.N. General Assembly resolution; a statement by President Reagan broadcast over closed-circuit television at the opening session of the conference; and a list of the U.S. delegation.

AMBASSADOR BEGGS' STATEMENT, AUG. 10, 1982

Twenty-five years into the space age, and 14 years after our first U.N. conference on outer space, we again meet in Vienna to consider where we stand and where we are going in the peaceful uses of outer space. The last 25 years have been characterized by extraordinary achievement in space-based activities, not only by the United States but by a growing number of countries throughout the world. Indeed, in a global sense, it is no exaggeration to say that we are on the verge of becoming a space-faring civilization.

The last several decades also have been characterized by U.S. leadership in space science and applications, frequently exercised in broad cooperation with countries throughout the world. To date, the United States has entered into over 1,000 agreements with over 100 countries to share the benefits and adventure of outer space. At the outset of this conference, I want to state categorically that the United States intends to remain the leader in the peaceful uses of outer space and to continue its active and open program of international cooperation.

In this I speak for President Reagan, who is a strong supporter of the U.S. space program and its application to bettering our life here on Earth.

In order to assess where we are and where we should be going in space science and applications, it is constructive to reflect on where we have been. When this conference last met in 1968, there were essentially two significant space powers, with a few other countries who aspired to space programs. The United States was in the process of completing its dramatic Apollo project.

Twelve Americans walked the surface of the Moon during that program and were brought safely back to Earth. In the course of this program and in the Skylab program that followed, we established the ability of man to function for extended periods in space and vastly increased our scientific knowledge. Since then, there have been additional important achievements by the United States and by a growing number of other countries in the exploration and peaceful uses of outer space.

In the United States, we have completed the testing of the space shuttle and plan to put it into operational service later this year. The shuttle will give us routine, reliable, and cost-effective transportation into space and will continue to open new and broader areas for international cooperation in the future. We have explored many of the planets in our solar system and probably will have visited all except distant Pluto by

the end of the decade. We have built and flown communications, weather navigation, and remote sensing satellites that bring untold benefits to all the peoples of the Earth.

Since we last assembled in Vienna, there have been three particular trends which, taken together, are of special relevance to this conference. Because they will continue, they should be kept in mind as we chart our future course.

- The advance of technology has been rapid and has shown no signs of slowing. Looking back over the short period we have been in space, the rate of progress in amassing scientific knowledge and in applying space technology has been truly astonishing. Consider, for example, the tiny space capsule in which the first American astronaut, John Glenn, orbited the Earth. Compare it to the space shuttle, launched only two decades later, which is a marvel of sophisticated engineering and promises to be America's primary space transportation system for the balance of this century. The conclusion

President Reagan's Statement

Thirteen years ago, two American astronauts—Neil Armstrong and Edwin Aldrin—became the first human beings to set foot on the Moon. There they planted a plaque inscribed with these words: "We came in peace for all mankind." That plaque stands today on the lunar surface to symbolize the spirit of the U.S. space program, now and in the future.

We are proud of our achievements in exploring the reaches of space. In only a quarter of a century, we have amassed new knowledge of our solar system, of the stars, of the universe, and of our own fragile world. We are learning how we came to be and what the future may hold for our planet and all who dwell here. The countless benefits of our space program have flowed to all the peoples of the world. Communication satellites link distant parts of the globe. Remote sensing from space of the Earth's atmosphere and surface is helping people harness global resources for the benefit of all. And weather satellites are providing us worldwide with important information enabling us to better predict and adapt to the environmental forces which shape our lives.

From the very beginning of the U.S.

space program, we have emphasized international cooperation. I am extremely proud that most of our major space projects have been carried out with the participation of other nations. Indeed, international cooperation is woven into the basic fabric and structure of our civil space program.

This Second U.N. Conference on the Peaceful Uses of Outer Space provides leaders from around the globe with an unprecedented opportunity to chart a course for greater cooperation among nations in exploring mankind's last and endless frontier.

All of us, as the poet Archibald MacLeish so eloquently described us, are "riders on the Earth together, brothers on that bright loveliness in the eternal cold."

Let us resolve to work together to insure that the benefits of space continue to contribute to a bright and peaceful future on Earth. And let us also chart new pathways to the stars to serve as avenues of peaceful exploration and adventure for our generation and for generations to come.

I wish you a successful and productive conference. Thank you and God bless you all. ■

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is inescapable that progress in outer space technology has been dramatic.

• There are many more nations with space programs today. Scientific, commercial, and technical incentives have led an increasing number of countries to invest their resources in one aspect or another of space technology and applications. These space programs range from large, very complex enterprises to more modest but nevertheless significant efforts. The United States welcomes this

development, the knowledge it generates, and the stimulus it provides to excel in what is still a bright new frontier of human endeavor.

• There is a growing emphasis on relating space activity to our needs here on Earth. Innovators in the private sector are incorporating space-related capabilities into countless areas of human activity.

Looking ahead, we can fully expect

these trends to continue. It is clear then that among the priority tasks in our agenda of future activities are those which will help us better to understand our own Earth, aid in the development of national economies, and assist in the broader sharing of technological skills. The United States stands ready to do its share to achieve these objectives.

Toward a Better Understanding of Earth

Venturing into outer space provides perspectives not only on other worlds; it helps us better perceive, understand, and deal with conditions affecting life here on Earth. It is clear to the United States, for example, that increased scientific understanding of environmental problems and improved methods in forecasting are needed if we are to enhance our ability to address issues relating to overall global habitability in an effective and efficient manner. We live on a planet characterized by change, and it has been demonstrated that space-based observations are of inestimable value in measuring changes which affect the Earth. The United States today conducts a number of space-based activities directed toward this end, and we note that other governments and international institutions have also undertaken important efforts in this regard.

We believe it is important to begin to think in larger terms with respect to global conditions. Specifically, we envision continued long-term research efforts with international cooperation to expand further the base of data and knowledge from which sound decisions can be made with respect to the environment. By better organized efforts, we can vastly improve the validity and reliability of available information as well as provide more systematic bases for evaluating and responding in long-term global change. Outer space technology will be a more valuable tool in focusing attention on those trends which influence our Earth's habitability.

The United States will be discussing a global habitability concept with other governments and international institutions here at the conference and in the months ahead. We would like to determine whether a more effective, cooperative, long-term effort is feasible on a global basis. My government believes such a cooperative undertaking could benefit all countries of the world, developed and developing.

U.S. Delegation to UNISPACE 82

Representative

James M. Beggs, Administrator, NASA

Alternate Representatives

John R. Bolton, Assistant Administrator for Program and Policy Coordination, AID
Anthony J. Calio, Deputy Administrator, NASA

Joseph Charyk, President, Chief Executive Officer, Communications Satellite Corp.
Mrs. William P. Clark, Washington, D.C.
Gerald B. Helman, special coordinator for UNISPACE, Department of State
Charles Z. Wick, Director, USIA

Advisers

Burt Edelson, Associate Administrator for Space Science and Applications, NASA
Dr. Anna Fisher, astronaut, NASA
Riccardo Giacconi, Space Telescope Science Institute
Col. Henry Hartsfield (USAF), astronaut, NASA
Neil Hosenball, General Counsel, NASA
Donald Jansky, Associate Administrator, National Telecommunications and Information Administration, Department of Commerce
S. Ahmed Meer, Office of Advanced Technology, Bureau of Oceans and International Environment and Scientific Affairs, Department of State
Capt. Edward J. Melanson, Jr. (USN), Assistant Director, Space Policy, Department of Defense
Kenneth S. Pedersen, Director, International Affairs Division, NASA
Col. Gilbert Rye (USAF), National Security Council
David Small, Office of the Legal Adviser, Department of State
Brig. Gen. John H. Storrie (USAF), Headquarters, U.S. Air Force
Norman Terrell, Acting Assistant Director for Nuclear and Weapons Control, ACDA

Private Sector Advisers

Robert Anderson, Chairman of the Board, Chief Executive Officer, Rockwell International Corp. (Pittsburgh)
James V. Carroll III, Attorney at Law (Washington, D.C.)
Vincent N. Cook, President, Federal Systems Division, IBM
Robert A. Duffy, President, Charles Stark Draper Laboratories (Cambridge)
Robin Fairbairn, Attorney at Law (Paso Robles, Calif.)
Edward R. Finch, Jr., Attorney at Law (New York City)
Joseph G. Gavin, Jr., President, Chief Executive Officer, Grumman Corp. (Bethpage, New York)
John M. Geer (Sacramento)
Henry E. Hockeimer, President, Ford Aerospace and Communications Corp. (Detroit)
Charles A. Schmidt, Division Vice President and General Manager, RCA, Astro Electronics (Princeton)

Senior Adviser

Hans Mark, Deputy Administrator, NASA

Congressional Advisers

George E. Brown, Jr. (D.-Calif.), U.S. House of Representatives
William Carney (R.-N.Y.), U.S. House of Representatives
Ronnie G. Felippo (D.-Ala.), U.S. House of Representatives
Daniel K. Akaka (D.-Haw.), U.S. House of Representatives
Wayne R. Grisham (R.-Calif.), U.S. House of Representatives

Congressional Staff Advisers

Radford Byerly, Jr., Committee on Science and Technology, U.S. House of Representatives
J. Jeffrey Irons, Subcommittee on Space Science and Applications, U.S. House of Representatives ■

GENERAL ASSEMBLY RESOLUTION A/37/90, DEC. 10, 1982¹

The General Assembly,

Recalling its resolution 33/16 of 10 November 1978, 34/67 of 5 December 1979, 35/15 of 3 November 1980 and 36/36 of 18 November 1981 concerning the convening as well as the preparation of the Second United Nations Conference on the Exploration and Peaceful Uses of Outer Space, which was held in Vienna from 9 to 21 August 1982,

Reaffirming the importance of international co-operation in the exploration and peaceful uses of outer space,

Reaffirming the importance of international co-operation in developing the rule of law for the advancement and preservation of the exploration and peaceful uses of outer space.

Gravely concerned with the extension of an arms race into outer space,

Aware of the need to increase the benefits of space technology and its applications and to contribute to orderly growth of space activities favourable to the socio-economic advancement of mankind, in particular the peoples of developing countries,

Taking into account new developments in space science and technology which are being projected and envisaged in the coming decade as well as the new applications emerging therefrom and their potential benefits and possible implications for national development and international co-operation,

Conscious of the need to increase the awareness of the general public with regard to space technology and its applications,

Desiring to enhance the effectiveness of the co-ordinating role of the United Nations, which is eminently suited to bring about increased international co-operation and assistance to the developing countries in the field of exploration and peaceful uses of outer space,

Expressing its satisfaction with the successful preparation of the Conference through the Committee on the Peaceful Uses of Outer Space as preparatory committee and its Scientific and Technical Sub-Committee as advisory committee, as well as through the Conference secretariat,

Taking note of the report of the Second United Nations Conference on the Exploration and Peaceful Uses of Outer Space,

1. *Expresses its appreciation* and thanks to the Government and people of Austria for the excellent facilities and generous hospitality provided for the Conference;

2. *Endorses* the recommendations pertaining to international co-operation in the exploration and peaceful uses of outer space, as contained in the report of the Conference;

3. *Invites* all Governments to take effective action for the implementation of the recommendations of the Conference;

4. *Invites* all Member States, in particular those with major space capabilities, to contribute actively to the goal of preventing an arms race in outer space, as an essential condition for the promotion of international co-operation in the exploration and uses of outer space for peaceful purposes;

5. *Requests* all organs, organizations and bodies of the United Nations system and other intergovernmental organizations, which are working in the field of outer space or space-related matters, to co-operate in the implementation of the recommendations of the Conference;

6. *Takes note* of the recommendations of the Conference regarding study projects and invites all specialized agencies and other intergovernmental organizations concerned to contribute within their field of competence to the elaboration of these studies;

7. *Decides*, upon the recommendations of the Conference, that the United Nations Programme on Space Applications should be directed towards the following objectives;

(a) Promotion of greater exchange of actual experiences with specific applications;

(b) Promotion of greater co-operation in space science and technology between developed and developing countries as well as among developing countries;

(c) Development of a fellowship programme for in-depth training of space technologies and applications specialists, with the help of Member States and relevant international organizations; establishment and regular up-dating of lists containing available fellowships in all States and relevant international organizations;

(d) Organization of regular seminars on advanced space applications and new system developments for managers and leaders of space application and technology development activities as well as seminars for users in specific applications for durations as appropriate;

(e) Stimulation of the growth of indigenous nuclei and an autonomous techno-

logical base, to the extent possible, in space technology in developing countries with the co-operation of other United Nations agencies and / or Member States or members of the specialized agencies;

(f) Dissemination—through panel meetings, seminars, etc.—of information on new and advanced technology and applications, with emphasis on their relevance and implications for developing countries;

(g) Provision or arrangements for provision of technical advisory services on space applications projects, upon request by Member States or any of the specialized agencies;

8. *Decides* to establish an International Space Information Service, initially consisting of a directory of sources of information and data services to provide direction upon request to accessible data banks and information sources;

9. *Requests* the Secretary-General to strengthen the Outer Space Affairs Division with an appropriate augmentation of technical personnel and decides, upon the recommendation of the Conference, that all new or expanded activities contained in this resolution are to be funded *mainly* through voluntary contributions of States in money or in kind, as well as through the rearrangement of priorities within the United Nations next regular budget;

10. *Appeals* to all Governments to make voluntary contributions, either in money or in kind, towards carrying out the recommendations of the Conference;

11. *Approves* the recommendations of the Conference regarding the establishment and strengthening of regional mechanisms of co-operation and their promotion and creation through the United Nations system;

12. *Emphasizes* the need for close co-operation between all United Nations bodies engaging in space or space-related activities, as well as the desirability of close co-operation with international funding agencies and subsidiary bodies, such as UNDP;

13. *Requests* the Secretary-General to assure the availability and appropriate dissemination of the report of the Conference;

14. *Further requests* the Secretary-General to report to its thirty-eighth session on the implementation of this resolution.

¹Adopted without a vote. ■

In addition to gaining better long-term understanding of the Earth's environment, the perspective of outer space can help all countries—and particularly developing countries—to better

anticipate and cope with natural disasters. To this end, we propose two projects for consideration.

• We suggest that the U.N. Outer Space Division sponsor a working group on disaster assistance communications to examine the possibility of establishing a

global emergency space communications system for disaster situations.

• To learn how best to bring space technology to bear in coping with natural disasters, the U.S. Agency for International Development (AID) will sponsor a 5-day conference in the spring

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of 1984 in Washington. The conference would examine current operational systems, regional systems being developed, and future technologies applicable to developing a global disaster monitoring and early warning network.

Finally, in order to encourage a better understanding of the Earth, the United States is also making available to participants in UNISPACE a special LANDSAT index of the best available images collected over the past 10 years by LANDSAT 1, 2, and 3. The indexes are referenced to the new worldwide reference system maps developed by the U.S. Geological Survey. The data available through the LANDSAT program is accessible to every country and is indispensable to understanding and employing earth resources for the benefit of mankind.

Assistance in the Development of Economies

There has been a good deal written and spoken about the promise of space technology for national economic development. It is often too easy to give the imagination free play and to ignore the fact that in applying space technology three concepts are fundamental and essential—establishing priorities, allocating scarce resources, and applying the discipline of careful administration. Outer space technology has great promise. And, in its application, much can be done in cooperation with other governments and with the private sector. The process of technology application is not, however, cost-free and should be begun only after deliberate decisions on the part of governments. The United States

is prepared to assist in this process through several programs which have proven successful.

- The United States, through AID's rural satellite program, has begun work with developing countries to advance the use of satellite communications for development. We are carrying out pilot programs in rural telephone and audio-conferencing, providing training, undertaking research and development, and providing information and advice. To share the results of this effort more widely with others, the United States will hold an international conference on rural satellite communications in 1985.

- The United States will shortly begin field testing a combined low-cost satellite ground station and photovoltaic power system, optimized for developing country use. The results and technical data of this test will be widely available through AID's rural satellite program. This effort is a product of cooperation in research and development between the U.S. Government and industry. Its objective is to lower the cost to developing countries of Earth stations and to provide a reliable renewable source for them.

I invite the conference to view the U.S.-sponsored demonstrations of this technology in the Seiten Galerie and the Heldenplatz.

Sharing Technological Skills

Integral to the success of any of these programs is the spread of the skills necessary to conduct them. The draft report of this conference quite rightly emphasizes the need to expand training programs, particularly for technicians and scientists from developing countries. The United States shares this conviction. Within the context of the work of UNISPACE, and through projects associated with the forthcoming International Telecommunication Union-sponsored World Communications Year,

the United States will continue to contribute substantially to training programs and will explore ways of enhancing their quality and availability. My delegation welcomes the views of others on all of the proposals I have made. We will be prepared to elaborate on these and other ideas in committee and in the scheduled poster sessions.

It is unusual in conferences such as UNISPACE to project dramatic future activities and programs. And, I am confident that future developments in outer space will be every bit as dramatic as those which have occurred since 1968. I say this because I believe we have the human resources, the imagination, the technical capability, and the determination to accelerate the pace of development in the peaceful uses of outer space.

Space has been aptly named the endless frontier, and looking ahead over the next quarter century and beyond, the potential of exploring and exploiting the space environment for the common good is as limitless as the void of space itself.

I am confident the human family will fulfill that potential. New challenges, new adventure, the resources of new worlds are within our reach. It is up to us to grasp them.

The urge to know the unknown is basic to the pioneering spirit that means so much to the world. That urge is alive and well and will continue to thrive so long as man wants to know. And there is much for us to know.

As T.S. Eliot once wrote: "We shall never cease from exploration and the end of all our exploring will be to arrive at where we started and to know the place for the first time."

In that never-ending quest, the United States pledges to work, in cooperation with all nations, to bring peace and prosperity to our generation and to future generations inhabiting this planet. ■

Dealing With the Reality of Cuba

by Thomas O. Enders

Statement before the Subcommittees on Inter-American Affairs and International Economic Policy and Trade of the House Foreign Affairs Committee on December 14, 1982. Ambassador Enders is Assistant Secretary for Inter-American Affairs.¹

In your invitation to appear before the two subcommittees you asked for an assessment of Cuba's role in the world and of our relationship to it.

Cuban Policy

There is nothing quite like it. Cuba is at once a would-be foreign policy giant ceaselessly projecting political-military influence far beyond its borders and an economic dwarf which for years has shown itself incapable of providing material progress for its own people.

More than 70,000 Cubans, both civilians and members of the armed forces, are abroad on various "internationalist" missions, most of them military. They are stationed from the Caribbean and Central America to southern and central Africa, to both sides of the Red Sea, and even Asia. Over the last 2 years, Cuba has been engaged in an arms buildup unprecedented since 1962.

Cuban domestic policy has meanwhile registered a general failure. Organized in the familiar Soviet command model, the economy receives growing Soviet assistance in grants, subsidized sales of oil, and purchases of sugar at high prices. Yet although Soviet economic aid alone is now equivalent to more than one-quarter of Cuba's gross national product, per capita income in Cuba has been stagnant and is falling steadily relative to much of Latin America. Even the much-acclaimed initial improvements in social and health services have lost luster with the passage of time. Infant mortality and life expectancy already met high standards in 1959; under Castro, they have improved less than in many other developing countries. For almost a quarter century, social mobility has been capped by the permanence of a self-perpetuating elite more rigid than any traditional oligarchy.

This configuration of domestic stagnation and foreign ambition is the legacy of a generation of struggle to export the revolution. For its first 10 years in power the new Communist government in Havana tried to replicate its revolution elsewhere in Latin America. Virtually every country was affected. In Venezuela, Colombia, Guatemala, Peru, and Bolivia guerrilla *focos* (externally supported rural insurgencies) actually flourished briefly. One by one, however, these Cuban-assisted insurrections were defeated, and following the death of Che Guevara on a Bolivian hillside in 1967, Cuba stopped trying in Latin America—for a while.

Instead it concentrated on Africa, where weaker, less legitimate governments offered better opportunities. Cuba had maintained extensive contacts and some military missions in Africa since the early 1960s. By the mid-1970s, Cuban troops were fighting in Angola to assure the supremacy of the Popular Movement for the Liberation of Angola (MPLA) over its rivals. The stage had been set for the appearance of Cuban troops under Soviet command in Ethiopia.

In 1978 Cuba turned once again to Latin America. Central America—where high economic growth had not been matched by political change and where repressive, narrowly based military governments clung to power—seemed ripe for revolution. Cuba's intervention helped tip the scale against the Somoza government in Nicaragua. El Salvador, Guatemala, Honduras, and Colombia were targeted as follow-ons. In each case, Cuba attempted to weld together disparate local revolutionary factions into a unity, provided training in Cuba, and supplied—or arranged for the supply of—arms to attack the existing government. Over the last 3 years, traces on individual weapons and analysis of other guerrilla materiel and documents have revealed a pattern that—to use the words of the September 22, 1982, staff report by the Subcommittee on Oversight and Evaluation of the House Permanent Select Committee on Intelligence—"showed Cuba, with Nicaraguan participation, to be heavily involved in the coordination, control and movement" of a substantial amount of arms and other supplies obtained from Communist countries.

U.S. Response

Throughout most of this period our response has been to help the intended victims of the export of revolution to defend themselves. In the 1960s this policy was entirely successful. The more recent campaign in Latin America opened with a success for Cuba—the triumph of Sandinistas in Managua. But, provided we remain willing to help threatened countries in Central America, there will be no more.

At the same time we have sought to complicate the already difficult task of running a command economy in Cuba by withholding the trade and credit of Cuba's natural market, the United States. It is not clear whether Socialist Cuba ever had much growth potential. Our embargo has made sure that the cost to the U.S.S.R. of preventing per capita income from falling has increased steadily.

Finally, we have kept Cuba at arm's length and have thus denied it the legitimacy—and consequently access to other governments in the hemisphere—normal relations with us would confer.

These have been the basic elements of our policy generally, and they are now. But a major effort was made in 1975–80, under two Administrations, to develop an alternative. During these years we attempted to moderate Cuba's behavior by talks aimed at progressive normalization of our relations. The theory was that an isolated Cuba had no stake in the international community and thus had no reason to exercise restraint.

This bipartisan effort failed. Not only did it not induce Cuba to moderate its behavior, arguably it resulted in, or at least was followed by, even bolder, more aggressive action by Castro.

Let me review the record. In 1975, we made our first secret contacts, suggesting the exploration of ways to remove tension and hostility. Late in that year the Cubans sent troops into Angola. In 1977 we again started talking seriously to the Cubans, this time much more ambitiously, saying we wanted to create conditions in which the legacy of the past—the embargo and the political tension—could be overcome. In very high-level secret talks, our negotiators explored a series of steps with the eventual goal of removal of the embargo and full diplomatic relations in return for curbs on Cuban activities regarding Puerto Rico and a gradual withdrawal of the more than 20,000

Cuban troops from Angola. After all, the civil war was over. While we talked, Cuba went into Ethiopia.

Conversations continued. In mid-1978, Cuba launched upon a new aggressive strategy in Central America, uniting violent factions first in Nicaragua, then El Salvador, then Guatemala, committing them to the destruction of their established governments.

Talks went on. In 1980, Castro turned the desire of many of his countrymen to flee Cuba into a hostile act against the United States—the Mariel boatlift.

This record suggests that Cuba believes that a process of negotiation with the United States is in its interest. During those years, Cuban representatives repeatedly argued that the United States must take no action to help governments in Central America because that would undercut the negotiations. In other words, the process was intended to restrain us, but it didn't restrain them.

And the process could be, and was used, to maintain Cuban access to other countries in the hemisphere. After all, Havana argued to Latin American governments, the United States is talking to us; you should cut your own deal with us now while you can.

Cuba's desire to recreate the process, if not the results, of negotiations

were told, yes, Cuba wants to talk with the United States. But in each case we were told that what could be talked about was our bilateral agenda—migration, tourism, intelligence overflights, the embargo, diplomatic relations, Guantanamo. Puerto Rico and the third-country agenda—Cuba's aggressive actions in Central America and Africa—were not negotiable. We must, we were told, learn to accept "social change," but Cuba could not compromise on its commitment to fraternal national liberation organizations. In other words, Cuba would receive concessions, not give them.

It is noteworthy that Cuba did not choose to carry on these discussions through existing channels but used as the medium persons outside government who had no knowledge of previous or current exchanges when it launched its campaign of signals in behalf of "negotiations" a month later. We concluded that, once again, Castro did not wish to talk seriously but did wish to strike an apparently conciliatory posture. I would not exclude testing the Cubans again at some point on the possibilities of discussions. But the record—and the current posture—give little encouragement.

There are those who say we should go beyond past negotiating approaches, with the explicit or implicit trade of normalization with the United States in return for Cuban restraint in third coun-

would welcome any opportunity to take advantage of relaxed economic relations with the United States. And he might be more cooperative on some bilateral issues, at least at the outset. But history also makes unmistakably clear that Castro would not tolerate any loosening of state control inside Cuba, and that he would continue and perhaps even intensify the activities which threaten to undermine our national security and that of our friends. And that is precisely the problem with this approach: It would address neither the basic inequities of the Cuban system nor the fundamental orientation of Cuban foreign policy, which is to encourage armed revolution elsewhere along the lines which it took in Cuba.

Others, more ambitious still, want to try to wean Cuba away from the Soviet Union. Even assuming that Castro was of a mind to alter his allegiance to the U.S.S.R.—something Castro has always denied vehemently, most recently on December 11—the price would be more than we could pay. The Soviet Union's annual economic assistance now approaches the equivalent of \$4 billion. We might have a little difficulty in persuading the Congress to replace even a part of that remarkable largesse. Moreover, there is little prospect that Castro himself would forsake Soviet military assistance, which enables Cuba to play its chosen role as a nerve center, training ground, and arsenal for revolution in the Third World. In effect, Soviet military and economic assistance permits the Cuban leaders to go on indulging their taste for war and revolution long after they would otherwise have had to come to terms with their failures.

If negotiation, unilateral normalization, and weaning away won't work, what remains is shoring up threatened friends, complicating economic management, withholding legitimacy. This Administration has steadfastly helped our friends defend themselves from Cuban interference and has tightened our economic countermeasures, particularly those designed to deny Cuba the hard currency that Castro uses to help pay for armed violence and terrorism.

The Cuban People

And we must not forget the people of Cuba. The most eloquent testimony to their continued resistance is the flight of more than 10% of Cuba's population since Castro came to power. Not even the effort by the Cuban Government to

... Soviet military and economic assistance permits the Cuban leaders to go on indulging their taste for war and revolution long after they would otherwise have had to come to terms with their failures.

was evident again this spring when a campaign of signals was launched involving private U.S. citizens who were told Cuba was anxious to discuss "settlements" in Central America as well as other differences between the United States and Cuba.

I have been asked, why didn't the United States respond to these signals? Couldn't it have been an opportunity to seek a new direction in Cuban-American affairs? The answer is this: We had indeed taken the initiative to sound out Cuba's interests and intentions at a very high level, first in November 1981 and again in March 1982. In each case we

tries. We should drop third-country demands, these experts say, and normalize our bilateral relations. The magnetism of American society and economy would then in the long run prove irresistible. We should do away with economic measures that limit bilateral trade and financial transactions, renew diplomatic relations, and welcome Cuba back to the Organization of American States (assuming that Cuba was willing to return and that other states would accept its return).

On the record, at least, Castro

tarnish the image of those fleeing Cuba by forcibly expelling common criminals and the mentally ill during the 1980 Mariel boatlift can diminish the heroism and tenacity of the Cuban people. Over two decades of communism have not eradicated the traditional Cuban love of liberty and tolerance for diversity which is part of the hemisphere's common Western heritage.

We intend to underscore our deep commitment to the Cuban people by responding to their own wish to know the truth by increasing the dissemination of regular, objective, factual news about Cuba. We hope Radio Marti will begin its broadcasts next year. As Jose Marti said: "Witnessing a crime in silence is equivalent to committing it." Nothing illustrates Castro's genuine fear of domestic opinion more than the hysterical denunciations by Cuban authorities of plans for Radio Marti.

In the end, two qualities are needed in dealing with Cuba: vigilance and patience. Vigilance, because this is an extraordinarily aggressive state and now a heavily armed one. Patience, because it cannot last forever. While Castro has been probing Latin America and Africa for new revolutionary opportunities, other developing countries have outperformed Cuba economically and socially. But the worst is still to come. The big growth impulse over the past generation has been the expanding Soviet subsidy. No one believes that a stagnant U.S.S.R. will be willing or able to increase the subsidy in the future as rapidly as in the past. So Cuba will fall further and further behind, become less and less relevant to other countries, more and more marginal to the new world. At some point—for all the oppression they suffer—the Cuban people will find a way to repudiate a leadership that thinks that all they need is the glory earned by "internationalists" oppressing other peoples, and not their own well-being and freedom.

ANNEX 1: ASSESSMENTS

Cuba in Central America and the Caribbean

Cuba supports armed insurrection in several countries of the hemisphere, even while it seeks to reestablish formal diplomatic relations with others. In some cases Castro follows a "double track," cultivating governments while maintaining ties with armed revolutionaries in the same country.

Cuba assigns particular priority to the armed path in the Caribbean Basin. Long the only Marxist-Leninist state in the region, Cuba now sees the turmoil in Central America and the emergence of a Marxist-Leninist regime in Nicaragua and a radical authoritarian regime on the island of Grenada as a promise of more Communist countries to come.

The key short-range priority for Cuba is to consolidate the regimes in Nicaragua and Grenada as focal points

a preponderant influence in the Sandinista government. Cuban activities are particularly notable in the internal security and militarization of Nicaragua, supplying both equipment and extensive training operations within Nicaragua.

In El Salvador, Cuba claims that the guerrilla forces of El Salvador—which it has coordinated, supplied, and trained—are capable of winning by force of arms but are seeking a negotiated settlement in order to spare lives. The Cubans con-

While Castro has been probing Latin America and Africa for new revolutionary opportunities, other developing countries have outperformed Cuba economically and socially.

for future revolutionary strife in the region. A related objective is to sustain the revolutionary struggle in El Salvador in the hope that the configuration of forces will turn more favorable to the Communists. Further along are Guatemala, Honduras, and others. No state in the hemisphere is immune from the "revolutionary" process, not even the most democratic. Costa Rica and Colombia both face Cuban-sponsored subversion. And Castro is certainly seeking to exploit the current unrest in Suriname.

Believing that "objective conditions" were finally right for armed revolution, Cuba began redirecting its efforts back to the Caribbean Basin in 1978. Cuba united and trained guerrillas in the region and mounted a major propaganda campaign to discredit targeted governments, reduce U.S. resolve, and get European and Latin American allies to disengage. Emphasis was initially placed on bolstering Marxist-Leninist elements in Nicaragua and thereafter on El Salvador. The Cubans dramatically increased the flow of arms to Nicaragua, many of which later passed to Salvadoran guerrillas.

Today, some 400 Cubans are attempting to turn Grenada into a major outpost of Marxist influence in the eastern Caribbean. Cuban advisers are present in every Grenadan ministry, working on political indoctrination, economic projects, and military facilities and training camps.

In Nicaragua, some 8,000 Cuban military and civilian advisers, technicians, and other personnel have gained

continue to train Honduran insurgents, to supply arms to those in Guatemala, and to unite the left in Central America while promoting ties to outside terrorist groups and radical states.

Occasional Cuban private pledges not to interfere in the internal affairs of other countries have never stood the test of time and appear designed to deceive. The alleged Cuban readiness to negotiate an accommodation with the United States is calculated to ease pressures on the guerrillas in El Salvador and on the Sandinistas by redirecting world attention to so-called "political" options that would facilitate their military strategies. Cuban military training and arms shipments have continued unabated even as Havana calls for peaceful settlement.

At the April 26-28, 1982, Communist theoretical conference in Havana—a forum to give direction to leftist organizations in the hemisphere—Cuban leaders made clear they will not sacrifice revolutionary goals for the sake of normalization with the United States. Alternate Politburo member Jesus Montane asserted that Cuba will never negotiate on revolution nor on the right of people to carry it out. Another Cuban leader argued at that forum that Nicaragua and Grenada showed the validity of the Cuban armed road to power, and the conference as a whole reiterated that "objective conditions" were appropriate for armed struggle in Guatemala and El Salvador.

WESTERN HEMISPHERE

Cuba in Africa

Cuba's objectives in Africa are to capitalize on general African opposition to the Republic of South Africa to compete with the United States on a favorable ideological battlefield while enhancing Cuba's stature and promoting the establishment of pro-Soviet, pro-Cuban regimes in the region. The emphasis in Africa is part of Cuba's effort to become an actor on the world stage and reduce its diplomatic isolation. Cuban activities in the region are based in part on Cuba's revolutionary internationalist ideology but also serve Soviet interests.

Cuban troops have been engaged in Angola since 1975, when they entered at the request of the MPLA, which was involved in fighting two Western-supported movements for control of Angola. They have since become embroiled in a civil war in Angola between the MPLA and the National Union for the Total Independence of Angola (UNITA), although the MPLA and the Cubans claim that Cuban forces are in Angola solely to defend against the threat of South African attack.

Since mid-1981 the United States has endeavored to negotiate with the MPLA government in Luanda the withdrawal of Cuban combat forces from Angola in parallel with the withdrawal of South African forces from Namibia. This withdrawal would take place during phase III of the Namibia settlement process, as U.N. Security Council Resolution 435 is implemented to give Namibia independence.

The United States is negotiating directly with the MPLA and the other African parties involved. Although the Cuban Government has publicly committed itself to withdrawing its forces from Angola if and when the MPLA asks it to do so, it has in fact strongly opposed such a withdrawal.

Aside from the 20,000-25,000 soldiers and 5,000 civilian personnel which it maintains in Angola, Cuba has 11,000-13,000 military personnel and 600 civilian advisers and technicians in Ethiopia, where Cuban troops entered in 1977.

In addition, there are contingents of Cuban military and civilian advisers in more than a dozen other African countries engaged in a wide variety of military training, security services, and economic and technical assistance. The total number of Cubans in Africa is believed to be between 40,000-48,000.

Cubans in State and Federal Detention Facilities

Location of Facilities		Number of Cubans Detained
Federal		
U.S. Prison, Atlanta, Georgia	Federal Correction Institution	1,170
Lexington, Kentucky	Federal Correction Institution	25
Alderson, West Virginia	Federal Correction Institution	2
Springfield, Missouri	Federal Correction Institution	47
La Tuna, Texas	Federal Correction Institution	2
Center, Miami, Florida	Krome INS Service Processing	10
St. Elizabeth's INS/U.S. Public Health Service Processing Center, Washington, D.C.		39
TOTAL		1,295
State*		
New York		200
California		100
Pennsylvania		10
Wisconsin		100
Florida		800
Michigan		50
TOTAL		1,260
*Estimates		

Earnings of civilian advisers paid by some host governments have become an important source of hard currency for Cuba.

Although Cuba now maintains ties with 36 of the 46 sub-Saharan African states, Cuban diplomatic successes have been muted over the past few years by Cuba's advocacy of Soviet positions within the nonaligned movement and the growing perception that Cuba is staying in on Angola and Ethiopia in deference to Soviet objectives and in disregard of local and regional needs. Nevertheless, Cuba will probably continue to seek targets of opportunity in Africa.

Cuba and the U.S.S.R.

Cuba is a Soviet surrogate, heavily dependent on Soviet assistance to avoid economic collapse and obliged to support Soviet foreign policy. It is ironic that Cuba was granted membership—let alone leadership—in the nonaligned movement. Cuba is one of the most

aligned states in the world, far more committed to the Soviet Union and its policies than some members of the Warsaw Pact.

Castro is an effective Soviet agent in Latin America, Africa, and the Middle East. Moscow prefers to work in the background in Central America and elsewhere, providing financial, logistical, and arms support for liberation movements and helping to pay for Cuban troops in Africa.

The Soviet economic assistance program to Cuba—which is now approaching \$4 billion per year, equivalent to over one-quarter of Cuba's gross national product—accounts for over half of the U.S.S.R.'s global economic assistance program. Without it, the Cuban economy would be prostrate; but without the Cuban rifleman or machine-gunner, the Soviet capacity to project power in the Third World would be considerably reduced.

Since the overthrow of Somoza in 1979, armed struggle in Latin America has played a greater role in both Soviet and Cuban policy. Unlike the 1960s, Havana appears to have the full blessing of Moscow in its interventionist activities, with the Soviets now acknowledging that under certain conditions rebel groups can more effectively serve as the revolutionary vanguard than local Communist parties.

Soviet arms deliveries to Cuba in 1981 surged to 66,000 tons, the highest levels since 1962; they have continued at approximately that pace in 1982. More significant Soviet weapons delivered since 1975 include approximately 150 jet fighters—a considerable number of these are MiG-21s and MiG-23/FLOGGERS, AN-26 troop/cargo transports, Foxtrot submarines, a Koni-class frigate, T-62 tanks, MI-8 and MI-24 helicopters, Osa-class guided-missile attack boats, mine-sweepers, and Turya-class hydrofoil torpedo boats. The Soviets also have an active military role in Cuba itself. The Soviet Union maintains a 2,600-man combat brigade, some 2,000 military advisers, 6,000-8,000 civilian advisers, and a major telecommunications and intelligence facility that monitors wide spectrums of U.S. civilian and military telecommunications and conducts periodic air and naval visits directed against the United States and NATO.

It is noteworthy, however, that the U.S.S.R. has consistently refused to give Cuba the ultimate guarantee of a security commitment.

The Cuban Economy

The Cuban economy today is characterized by increasing dependence on sugar, by severe rationing of basic necessities, and by a shortage of decent housing. Food is in short supply, especially coffee, rice, beans, beef—the staples of the traditional Cuban diet. The quality of goods is low. Crowds line up hours in advance of the opening of stores so as to be in line to purchase what scarce commodities are available. Few jobs are to be had, and Cuba must export its labor surplus abroad as “internationalists.”

When Castro came to power, Cuba was competitive in the world marketplace and was one of the most prosperous countries in Latin America. Today few would take Cuba's economy as a model for development. The exodus of thousands of Cubans from Mariel in 1980 demonstrated how weak is the allegiance of Cubans to their government.

Aside from the destruction of the civil liberties of the Cuban citizen, Castro's most glaring domestic failure is the state of the Cuban economy. After nearly a quarter century of Communist rule in Cuba, the economy is saved from collapse only by massive economic assistance from the U.S.S.R. Whether the Soviets can, over time, increase or even maintain the almost \$4 billion a year they now give Cuba in economic assistance is a key question. In spite of the high amount of Soviet aid, Cuba has had to turn to the West for help. In 1982 it asked Western creditors for a moratorium on payment of principal on well over \$1 billion worth of medium- and long-term debt.

Why has Cuba progressed so little in 24 years? In their plea for financial redress from the West, the Cubans blamed the U.S. embargo, the sugar policy of the European Economic Community, and the low price of sugar for their distress. It was, however, the decision of the Cuban Government itself to reorient its trade from West to East under Castro and to concentrate on the production of sugar to an even greater extent than in the pre-Communist period. These decisions—together with the economic misallocations, inefficiencies, and waste endemic to communism—have caused Cuba's economic problems. Moreover, Castro's bias against making even the modest amount of economic readjustment and reform, which was carried out at an earlier period in Eastern Europe, has exacerbated the situation and condemned the Cuban people to scarcity and rationing. In support of its

request for debt rescheduling with the West, Cuba has offered no changes in economic model; instead, Cuban officials suggest international belt tightening and less trade with the West.

Prospects for the Cuban economy are unfavorable. Cuba aims primarily at the production of still more sugar—despite its low world price and the bad long-range prospects for sucrose on the world market—because the Soviet Union is willing to pay a higher price in soft, nonconvertible currency. A rise in the world price of sugar would ease Cuba's balance-of-payments distress; even should this occur, however, it could not touch the underlying economic problems for which no fundamental relief is in sight. As Fidel Castro has now said on more than one occasion, Cuba can look forward only to further sacrifices.

Political Stability

Order in Cuba rests on power, not consent, and the Castro regime has demonstrated that it has both the power and the will to employ power ruthlessly. Public dissent is unthinkable, and even conspicuous lack of assent may be cause for scrutiny by the watchful committees for the defense of the revolution.

Despite the severe penalties involved—loss of job, loss of ration card, risk of mob reprisals—at least 200,000 Cubans have dared to ask for exit permits. Behind them probably stand 1–2 million more who would leave if the opportunity were to present itself but who hesitate to bring down upon themselves the displeasure of the regime. How many more Cubans are deeply dissatisfied with their lot in Castro's Cuba but who would refuse to leave their native soil is impossible to measure.

It is clear, however, that several problems are causing increasing internal stress. Popular discontent derives partly from longstanding problems:

- A weak economy increasingly dependent on sugar exports and Soviet aid;
- A totalitarian regime with a privileged elite unable to motivate the population; and
- A heavy commitment of resources for foreign involvement that pays few domestic dividends obvious to the Cuban people.

Some of Castro's most serious policy errors have in recent years compounded these problems. For example, the decision to allow thousands of exiles to visit

the island during 1979 in an effort to acquire hard-currency revenues had a powerful destabilizing effect. In the aftermath of their visits, crime, worker absenteeism, and other forms of discontent rose sharply. Popular dissatisfaction deepened when the Cuban leadership demanded greater sacrifice and effort while issuing warnings that economic and social progress would not occur before the end of the century. The depth of this malaise became abundantly clear with the events leading up to the Mariel boatlift.

But perhaps more important than these factors is a time bomb that is already haunting Castro—the existence of a critical generation gap. In numerous speeches over the past few years, he has addressed the discontent of the younger generations and has at times seemed obsessed with the dilemma of how to inculcate the youth with the revolutionary ideals of his own generation. The problem can only worsen over time: About 50% of the population is under 25 and has no memory of the struggle against Batista; 60% of those who fled to the United States at the time of the Mariel boatlift were under the age of 30.

Vast numbers of young people will enter the labor force this decade—a generation that is highly educated by Third World standards and received favored treatment during its schooling. Upon graduation, they have to face the harsh realities of an anemic economy with insufficient job opportunities, a housing shortage, and a spartan lifestyle. Moreover, a number of those who served overseas—some for two or three tours—have caused problems upon finding that expected rewards and perquisites did not materialize after they returned home.

To alleviate these pressures, Castro has sent increasing numbers of military and civilian personnel overseas. But this solution is only partial and temporary. To the extent that the economy remains weak and opportunities for additional foreign involvement fail to materialize, the Cuban polity will experience growing strains.

There is, nonetheless, only a small probability that organized opposition to the Castro regime will appear in the near future. The powerful and effective security forces, as well as neighborhood watchdog committees for the defense of the revolution, are a great deterrent to open opposition. There is no independent institution—such as the Catholic Church

in Poland—to serve as a focal point for the dissatisfied. As a result, many of the discontented are resigned to await opportunities for the safer avenue of escape via emigration to the United States.

Thus, while there is no apparent danger to Castro's position, he seems destined to preside over an increasingly alienated population that will find little motivation in exhortations for additional sacrifice. If past patterns hold, Castro will seek to counter these internal problems by looking for victories abroad—most likely in pressing the revolutionary struggle in Central America—and continue to use the United States as a scapegoat for his troubles.

ANNEX 2: PRISONER AND REFUGEE ISSUES

Americans in Cuban Prisons

Twenty-four Americans are currently known to be incarcerated in Cuba. Five are Cuban-Americans to whom the Cuban Government refuses to allow any consular access. There may be others, but we are unaware of them. Of the remaining 19, most are charged with illegal entry (defined by Cuban law simply as entry into Cuban territory without prior authorization) and/or possession or trafficking in narcotics. One American is charged with child molesting, one with swindling, and another with currency violations. All are incarcerated in the Combinado del Este Prison except four women, including two minors, who are held in the Nuevo Amanecer Prison in Havana.

Most arrests of American citizens occur when they inadvertently enter Cuban territorial waters or air space. In these instances they are detained by Cuban authorities and charged with illegal entry. In 1981 and 1982, at least 25 American citizens who accidentally strayed into Cuban territory were briefly detained while the Cubans investigated the incidents. They were then released. During the same period, 32 other Americans who inadvertently entered Cuban territory were arrested

and subjected to prolonged detention when the Cubans allegedly found evidence of drug trafficking. Some have since been released.

The Cuban Government has one of the poorest records, even among Communist countries, with regard to notification of arrest and consular access to American citizens. Notification ranges from several days to several months after arrest. Access is permitted only under strictly controlled conditions.

Dual nationals are a special problem. In the past, Cuban authorities have refused with only one exception to provide U.S. consular officers access to dual national Cuban-Americans because Cubans regard them as having only Cuban nationality, despite U.S. naturalization.

Unless it has grounds to believe that there has been a gross miscarriage of justice, the U.S. Government does not seek the release of American prisoners accused or convicted of violation of foreign law. It does seek for them fair and humane treatment, at least equivalent to that received by locals accused of comparable crimes. The purpose of our visits is to insure that the prisoners receive adequate food, shelter, and clothing and that they are not subjected to harsh treatment. We see to it that they receive medical treatment when necessary. The U.S. interests section in Havana also facilitates monthly family visits. It sees to the delivery of mail and of food packages (25 pounds per month), as well as vitamins and other dietary supplements.

The Cuban Government releases prisoners from time to time without regard to their time of detention or of sentencing, regardless of the type of crime alleged to have been committed. These prisoner releases have characteristically been to Members of Congress or others who have expressed special interest in them.

The Mariel Boatlift

Your final question concerned whether Fidel Castro would be willing to accept back the criminal element which he included in the Mariel boatlift of 1980. There is no good evidence to support such conjecture. It was, after all, he who caused the problem. The repatriation of the Mariel excludables remains part of our agenda. Talks on migration issues were held in 1980-81 by the previous Administration. These talks sought to restore and expand our programs for legal admission of Cuban immigrants and political prisoners as well as Cuban agreement to accept the return of individuals excluded from the United States. Unfortunately, they foundered on Cuban insistence on a case-by-case veto over those individuals to be returned, in circumstances which indicated that Cuba intended to use the veto extensively to preclude the return of most of the excludables. Both under the Immigration and Nationality Act and under international law, we believe it is critical to return to his or her home country any foreigner found excludable under U.S. law. Since then, when migration issues have come up, Cuba has given us no indication that it has changed its stand on the veto. We cannot be put in the position of accepting the Cuban veto; it would be tantamount to surrendering our sovereign right to control our own immigration policy.

Right now these individuals constitute a heavy burden for our society. Of the 4,000-5,000 that arrived and under law are excludable from the United States, 2,555 are still in Federal and State facilities. The cost of maintaining them is hard to calculate, but the figure \$10,000 per person per annum would not be an overestimate.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Programs Underway for the Caribbean Basin Initiative

by J. William Middendorf II

Address before the Committee for 806 and 807¹ in Washington, D.C., on November 8, 1982. Ambassador Middendorf is U.S. permanent representative to the Organization of American States (OAS).

I have deeply appreciated the work which this committee has done on behalf of maintaining an open market in the United States for Latin America and for other developing countries. This is a difficult time in which to be a free trader. There is always a great temptation to restrain imports in an effort to protect American jobs and American production. That temptation is particularly strong in times of economic difficulties. But that temptation, as we all know, is a terrible illusion, which ends by costing the U.S. economy far more in terms of jobs, productivity, and international competitiveness than we gain.

I am also grateful for the support which this committee has given to the President's Caribbean Basin initiative. Like open market policies in general, the trade and investment proposals in the Caribbean Basin initiative appear to many critics to involve considerable costs. We have tried to make clear to the Congress and to the public that the long-term benefits of strong and dynamic economies in the Caribbean Basin are far greater to the U.S. economy than any short-term costs. I believe that that message is becoming clearer and better understood, and I am optimistic that the Congress will take the action necessary this month or early in December to pass the two remaining portions of the initiative—namely the one-way free trade area and the investment incentive.

For my main theme tonight, however, I would like to turn to a somewhat more heartening subject than the challenge of fighting protectionism. I would like to talk about a part of the Caribbean Basin initiative which has received very little public attention but which nevertheless is functioning effectively already. Most discussions of the initiative focus only on the legislation which we have presented to the Congress. But there is a range of activities already underway in this Administration

that began under authority in existing legislation. I would like to briefly discuss these programs with you. None of these programs is of dramatic or startling scope. None of them will turn the economies of the region around single-handedly. However, taken as a whole there is already a significant impact derived from the initiative in supporting the efforts of the Caribbean Basin countries themselves.

This portion of the initiative under prior legislation involves activities by every interested agency of the U.S. Government. It derives from a strong commitment by the President and his individual Cabinet officials to devote as many resources as possible to strengthening each agency's programs in the Caribbean Basin region. Given the extraordinarily difficult budgetary constraints that all government agencies face these days, the scope of the programs which I am about to describe would not have been possible without the personal commitments of top Cabinet-level officials within this Administration.

Agriculture

The first sector that I would like to discuss is agriculture. Agriculture still forms the basis of most of this region's economies, but output has been growing slowly recently and per capita food production in many countries has been declining. A high proportion of land is idle or badly used. Services to the agricultural sector are deficient. In general agriculture is viewed by many as an unpromising and backward occupation. There is thus a great need not only for expansion of production but also a thoroughgoing modernization. Despite the very significant programs which we have had in the region for years through the U.S. Agency for International Development (AID) program, much remains to be done. A revitalization of the agricultural sector is crucial to meet the food needs of the region's growing population, as well as to increase export earnings.

To an important extent, many of these problems can be traced to inappropriate government policies that provided inadequate incentives to producers. I will address this policy issue later. Technical assistance is also crucial

to improved performance, and the U.S. Department of Agriculture (USDA) has put together a substantial program in this area.

First, USDA is promoting an increased regional understanding of U.S. agricultural health and sanitary regulations. This includes providing technical assistance for inspection procedures, for the operation of fumigation facilities, and for training in enforcing health and sanitary regulations.

Second, USDA is offering technical assistance to the Caribbean Basin countries to better gear their agricultural production to the standards of the world market. This involves assistance on how to achieve acceptable quality standards, procedures for proper labeling and testing, and techniques for minimizing losses during distribution and storage.

Third, USDA is strengthening agricultural research and technology transfer through institutions within the Caribbean Basin area and at existing facilities in the United States. Particularly important in this regard is the enhancement of the Mayaguez Institute for Tropical Agriculture in Puerto Rico.

Fourth, USDA has begun to play an important role in facilitating the involvement of U.S. agribusiness in the Caribbean Basin countries. A recently established Agribusiness Promotion Council will advise USDA on particular programs to insure that projects are appropriately designed for the individual conditions of the Caribbean Basin countries.

Fifth, USDA will assist governments on the management and conservation of forest, soil, and water resources.

Sixth, USDA is ready to provide technical assistance to Caribbean Basin governments or private institutions to develop or improve crop credit insurance schemes. This will help to stimulate farmers to use more modern technology and increase productivity.

Seventh, USDA is establishing an agricultural information center for U.S. business. This would provide a single source for U.S. traders and investors, as well as for Caribbean Basin exporters to obtain necessary market information and opportunities for agricultural investment.

Another very interesting effort in the agricultural field is being made by the Peace Corps. Peace Corps volunteers are sometimes uniquely placed to see what people with fancier titles or offices might miss. The Peace Corps is modifying some of its programs and

training to help volunteers analyze both the opportunities and the problems regarding the modernization and expansion of small-scale agricultural business. The Peace Corps has already begun to train some volunteers to perform pre-feasibility studies and help develop business and marketing plans primarily in, but not limited to, agribusiness.

Interestingly, the Peace Corps training initiatives pick up another of President Reagan's themes—private sector involvement. The training of volunteers to assist in developing better business planning is also underway through private groups and increased cooperation with AID and other governmental organizations.

Industry

Let me turn now to the industrial area. Industrial modernization has been one of the top priorities of countries in this region for years. The share of manufacturing in gross domestic product is still low—under 20% in most countries. All of these countries offer small internal markets, and most firms in the region are small and inexperienced in—perhaps fearful of—operating in larger foreign markets. There is a significant lack of such crucial management skills as marketing, quality control, and financial management. And yet the region also has very significant assets. Most countries, especially in the English-speaking Caribbean, have a high level of social services with a generally well-educated healthy labor force.

The basic infrastructure in most countries is at least adequate, although there are significant maintenance problems and considerable need for improvement. Above all, most of these countries have leadership which realizes the need for providing an appropriate policy environment and incentives to the private sector. It certainly is a clear policy priority to encourage industrial growth as indispensable to absorb the high levels of unemployment in the region and to generate production for exports to turn the balance-of-payments crisis around. New investments both by local business and by foreign investors is clearly recognized as a critical need to regenerate and expand the productive base in these countries.

The Department of Commerce in March opened its Caribbean Basin Business Information Center to provide comprehensive economic information to

U.S. business representatives interested in dealing in the Caribbean Basin. The response of the U.S. business community has been dramatic; literally thousands of companies have asked for guidance on trade and investment opportunities. Commerce experts are prepared to brief U.S. business on the policies and practices of Caribbean Basin countries and provide practical advice to resolve specific problems facing U.S. business representatives. The center has developed a wide network of contacts in the Caribbean Basin in both the government and private sectors and is thus well placed to arrange appropriate contacts for individual U.S. investors and business representatives. Commerce also serves as a clearinghouse for referring companies to other specialized U.S. Government programs focusing on business development in the Caribbean Basin. The center also works with local Department of Commerce district offices throughout the United States in arranging seminars on business opportunities in the Caribbean Basin area. The first of these regional seminars will be held November 12 in New Orleans. It will include a comprehensive group of U.S. Government experts and representatives from Caribbean Basin companies. The center thus offers a single location for comprehensive and efficient services to U.S. business representatives to find out how to sell their products in the Caribbean Basin, how to invest in that area, and how to buy from the region.

Investment

Related to the Department of Commerce's work in improving the information flow to U.S. business is the wider governmental effort to help countries in the area improve their investment climate. Several agencies of the U.S. Government, led by the Office of the U.S. Trade Representative, have developed a worldwide program of bilateral investment treaties. I see this as an important and highly visible way to improve the investment climate in developing countries. The countries of the Caribbean Basin have expressed particularly keen interest in the program, and we have recently concluded an agreement with Panama. This treaty is designed to provide a clear set of rights and obligations of the host government, of the foreign investor, and of the U.S. Government. The U.S. Government has

developed a prototype or model treaty containing the following key elements:

- Provisions concerning entry and duration of investment;
- Treatment for established U.S. investors which is no less favorable than that given domestic investors and other foreign investors;
- Prompt, adequate, and effective compensation in the event of nationalization;
- Unrestricted repatriation and other transfers of assets; and
- Dispute settlement provisions.

I find it particularly interesting that several European governments have already in place a set of similar arrangements and are interested in expanding this network. We may, therefore, be on the threshold of a major clarification of the way in which foreign investors are expected to operate. The treaty program insures that the concerns of all parties are fully taken into account. I, therefore, believe that the investment regime which results from the treaty program will be a lasting one.

To date we have signed two agreements with Egypt and Panama. So we have a lot of work ahead of us before my hopes for this program are fully realized. However, the advantages that flow from improved and stable investment climates are increasingly recognized by developing countries. There is growing interest in this program, and we are ready to discuss it with any interested country.

OPIC Programs. One of the key agencies in supporting U.S. private activities in developing countries has been the Overseas Private Investment Corporation (OPIC). OPIC is very significantly increasing its activities in the Caribbean Basin. Its programs offer insurance to U.S. investors operating in developing countries to cover political risks—expropriation, war, and inconvertibility. This is the core of OPIC's activities and an important incentive for investment in the region. In fiscal years (FY) 1981 and 1982, 47 new projects in the Caribbean Basin were insured by OPIC for a total of \$361 million of new project investment.

A smaller but increasingly important function of OPIC has been finance, including direct loans to small and medium-sized joint ventures. In FY 1981 and 1982, OPIC supported 18 projects in the Caribbean Basin for a total of \$149 million of new project financing. In FY

1982, OPIC also supported 16 investment feasibility studies in eight Caribbean Basin countries.

Together these OPIC programs represent more than a doubling of what OPIC was doing in FY 1980. And I expect that these activities will continue to increase in the coming years.

OPIC has also been particularly active in organizing investment missions to this region. The missions which OPIC led to Jamaica and Haiti in late 1981 were highly successful. Another mission is planned for the eastern Caribbean area this month, in addition to followup visits to Jamaica and Haiti. A particularly innovative and exciting program is the investment "telemission." Two weeks ago OPIC and AID cosponsored such a mission for the Caribbean area. The mission brought together, by use of satellite television links, business and government representatives from several cities of the United States with their counterparts in the English-speaking Caribbean, Haiti, and the Dominican Republic. The resulting lively discussion of investment and trade opportunities and problems promises to result in some interesting and significant new investment flows.

Finally, OPIC is making a major effort to reach out into the business community rather than just respond to inquiries coming into its office. OPIC has instituted a number of procedures to improve the information flow to U.S. businesses about its programs and the opportunities in the Caribbean Basin.

Export-Import Bank. The Export-Import Bank is also active in this region. The top management of the Export-Import Bank (Eximbank) has enthusiastically supported the Caribbean Basin initiative and strengthened the focus of the bank onto this region. In FY 1981, \$555 million in credits, insurance, and guarantees were committed by Eximbank to Caribbean Basin purchasers of U.S. goods and services. The bank hopes to improve this performance significantly over the next few years, keeping in mind of course its statutory constraint of operating only where there is reasonable prospect of repayment. The bank also is expanding its guaranty facilities for short-term credits to local commercial banks in credit-worthy markets.

Transportation

Let me now turn to an area in which work is underway, but in which we have not yet developed a specific program.

This is the area of transportation. Virtually everyone concerned with the problems of the Caribbean Basin agrees that improved accessibility for people and goods is an extremely important element. We have found this to be a particularly difficult area in which to devise solutions to the problems we know exist. To oversimplify the problem somewhat, it appears that this is one of those vicious circles. Costs are high in the Caribbean Basin area partly because traffic volumes are relatively small and routes are fragmented, while the high-cost transport system discourages the development of more efficient operations and greater volume. How to break this vicious circle is still a major unresolved question, and it is a prominent item on our future agenda.

As a first step, we are trying to define more precisely what the problems and constraints are. In a meeting arranged by Caribbean/Central American Action with shippers early this year, we came to the conclusion that—contrary to some of our own expectations—capacity is not a problem, even assuming significant growth in trade over the next few years. The problems in this low-volume/high-tariff situation appear to be in the structure of routes, in the operation of port facilities, and possibly in marketing. We are planning a similar diagnostic meeting with the airlines, and we are in contact with other institutions which have been working on this issue, including, interestingly enough, CARICOM (the Caribbean Common Market) and the European Community. We are also analyzing comments on transportation problems which AID officers and others in the field have reported.

Role of AID

AID has long had important programs in the basin area. But the overall approach of our economic assistance policy toward the region has changed in three very significant ways.

First, the Caribbean Basin has clearly become a higher priority in our global economic assistance program, and the level of our program to the region has just about doubled since FY 1980. In that year (FY 1980), our programs to the Caribbean Basin added up to \$324 million. In FY 1982, our regular programs amounted to \$475 million, to which we added \$350 million in the special supplemental for a total of \$825

million. For FY 1983 we are requesting about \$665 million for the region, and we are anticipating future programs for FY 1984 and beyond at roughly that order of magnitude, although I must caution that final decisions on those budgets have not yet been taken.

Second, AID is paying much greater attention to economic policy issues in its assistance programs. AID is upgrading its economic analysis capabilities and is working to maintain a close dialogue with basin governments on key policy issues and to assist them in implementing reforms. Because of their impact on private sector activity, government policies in such areas as agricultural pricing and exchange rates are extremely important to overall economic performance.

Third, a very significant change has been an increased emphasis on private sector support. This is a broad-based change, but I would like to cite several specific and innovative programs as illustrative of our overall efforts. Costa Rica's Agro-Industrial and Export Bank—called BANEX for short—is one striking example. AID's \$10 million loan commitment last year was a crucial factor in bringing this institution about. It is new and quite small but surprisingly successful already. It provides an integrated program of credit, export management assistance, and export-oriented banking services for producers and traders of nontraditional Costa Rican exports.

Two things about this project are particularly significant in my mind. First, this is a privately owned bank in Costa Rica's state-owned banking system—conceived, implemented, and managed by the Costa Rican private sector. It has shown a degree of innovation, risk taking, and sound management which is an important example to the whole Costa Rican economy—and perhaps to the region as a whole—about what the private sector can accomplish even in very difficult economic circumstances. Secondly, the institution is dedicated not just to supporting existing exporters but to developing new non-traditional export lines—that means searching out potential export products, finding markets, establishing distribution channels, and insuring product quality standards and reliable delivery systems. This comprehensive approach to the problem of export promotion is another way in which this institution is

an example to the rest of the Costa Rican and regional economy.

So as not to take up too much of your time, let me tick off a few other innovative AID projects which are underway or in the planning stages and which are specifically directed at the private sector:

- A loan to establish the Caribbean Agricultural Trading Company, an inter-island marketing project which will stimulate increased trade and agricultural production in the eastern Caribbean;
- A loan to establish a new, privately owned development finance company in Haiti;
- A loan to Jamaica to provide investment funds for equity and debt financing for medium-size agroindustrial and manufacturing enterprises;
- Grants to establish a Caribbean Basin information network as well as to support an emerging twin-chamber program whereby U.S. Chambers of Commerce are linked to business associations in the basin countries for the purpose of stimulating trade and investment opportunities;
- A loan to establish a regional development bank in the eastern Caribbean; and
- Joint OPIC-AID support for a marketing campaign and investment missions to increase the awareness of the U.S. business community about investment opportunities in the Caribbean.

Role of Puerto Rico and the U.S. Virgin Islands

Let me say just a few words about the role of Puerto Rico and the U.S. Virgin Islands within the Caribbean Basin initiative. We all recognize that Puerto Rico and the U.S. Virgin Islands are important components of the U.S. presence in the Caribbean area. Clearly we need to insure that the economic development of the U.S. possessions is enhanced by U.S. policy toward the Caribbean region, and we welcome the contribution that these possessions are making to implementation of the Caribbean Basin initiative.

The U.S. Government has been in close consultation with the Governments of Puerto Rico and the U.S. Virgin Islands about the Caribbean Basin initiative and their role in it. Suggestions made by these governments have been taken into account in designing Caribbean Basin initiative proposals and legislation.

Puerto Rico and the U.S. Virgin

Islands will play a major role in technical assistance, private sector development, and transportation within the Caribbean region. In fact, we see these areas as a focal point for assistance to the whole region. Several ways in which this can occur are as follows:

- Strengthening the Tropical Agricultural Research Center in Mayaguez, Puerto Rico;
- Funding for an Eastern Caribbean Center for Educational, Cultural, Technical, and Scientific Interchange at the College of the Virgin Islands;
- Use of Puerto Rican and U.S. Virgin Islands facilities, personnel, and firms in technical assistance programs and development projects; and
- Expansion of airports in the U.S. Virgin Islands and other measures to encourage the development of Puerto Rico and the Virgin Islands as a transportation hub for the Caribbean region.

Finally, I am pleased to note that Puerto Rico is already active in promoting closer links with other Caribbean Basin countries. Particularly noteworthy are the broad-ranging programs of technical cooperation with Jamaica and with St. Lucia.

Promoting a Productive Private Sector

Let me conclude by describing to you a general interagency effort, led by AID, to devise an overall strategy in support of the private sector for each of the Caribbean Basin countries. The object of the exercise is to develop concrete plans to promote a more dynamic and productive private sector. Our efforts are primarily within the U.S. Government, but we are consulting closely with the U.S. private sector and with representatives of interested governments and

U.S. to Sell Aircraft Spare Parts to Guatemala

DEPARTMENT ANNOUNCEMENT, JAN. 7, 1983¹

After extended consultations with the Congress and analysis of the situation in Guatemala, the Department has decided to permit the cash sale to the Government of Guatemala of previously requested spare parts and safety-of-flight items under the foreign military sales (FMS) program. This decision has been communicated to the Government of Guatemala by our ambassador to that country.

This decision on specific FMS items is part of a broader relationship which includes the disbursement of some \$10 million in economic support funds already made available under that portion of the Caribbean Basin initiative which passed Congress during the past session. This assistance addresses the pressing economic difficulties which the Government of Guatemala shares with its other regional neighbors.

The potential sales which could result from this decision would constitute the first such FMS sales to the Government of Guatemala since the late 1970s, except for \$15,000 in FMS training. The decision was made in light of human rights improvements which have taken place in Guatemala since the Rios

Montt government came to power in March of 1982.

In this regard, while we want to see further progress in Guatemala in promoting respect for human rights, President Rios Montt has taken significant steps in this area. Progress has been made.

Similarly, we look forward to the continuing development of the democratic process. Since Gen. Rios Montt assumed power on March 23 of last year, political violence in the cities has declined dramatically; recently there are indications that the level of violence in the countryside has declined as well; villagers have been provided food and medical supplies along with the means to defend themselves; plans are underway for the election of a constituent assembly; the Indian population is increasingly participating in the country's political process; and President Rios Montt has been attacking corruption within the government.

The government has declared its desire to cooperate with the independent human rights group and U.N. agencies and has permitted a number of private groups to visit the country.

¹Read to news correspondents by Department spokesman John Hughes. ■

private sectors of the Caribbean Basin region.

The general approach is first to assess which areas in each country offer the greatest potential for augmenting production for local consumption and for exports and, secondly, to identify constraints in moving toward this goal. We assume that major constraints in most cases will be such intangibles as management experience and marketing know-how, particularly in the export sector. But there are likely to be also some very specific problems in the areas of financing and infrastructure. Finally, we also will want to identify specific disincentives, including those derived from governmental policies.

Out of this assessment of potential and constraints, we plan to devise a long-term strategy to promote a productive private sector. This would involve actions by the local business community, by local governments, by U.S. Government agencies, and by the U.S. private sector. Some of the devices that might be useful in our joint efforts would be:

- Efficient investment promotion offices and missions;
- Seminars, training, and other human resources development;
- Improved marketing networks;
- Trading companies; and
- Technology transfer programs.

The Need for Increased Efforts

What I have tried to show is that there is already underway within the U.S. Government a large, although quiet, effort to help the people of the Caribbean Basin turn their countries into dynamic and productive economies offering tangible hope for prosperity and political stability. Much remains to be done. And there are probably new issues and new areas that are still out there waiting to challenge us. But the effort has begun even while we are still seeking congressional approval for the major trade and investment incentives embodied in the legislation.

Obviously our success is dependent on you, the private sector. We can help provide information, encourage more rational economic policies by the Caribbean Basin governments, provide some incentives and assistance through our various U.S. Government programs and through the trade and investment programs which are awaiting congressional action. But all of this is just support for what you, the private sector, can do.

There is a growing wave of interest within the U.S. private sector in the

Caribbean Basin region. Some of the most impressive people of the U.S. business community have devoted large amounts of their high-value time to supporting the initiative and to helping turn the economies of the Caribbean Basin around. I need only mention the establishment of such institutions as the U.S. Business Committee on Jamaica, Caribbean/Central American Action, and the CBI Coalition. Existing organizations such as the Council of the Americas, the U.S. Chamber of Commerce, and the Association of Chambers of Commerce in Latin America have also been generous in their support. And I want to emphasize my gratitude for the efforts that this committee has made in support of expanding trade and investment with the Caribbean Basin and other developing regions of the world.

I ask you to intensify those efforts. I think the opportunities are there and will increase. The payoff—in terms of promoting the U.S. national interest, as well as the individual interest of private business—will be substantial.

¹806 and 807 are provisions in the U.S. tariff schedule which provide that goods assembled abroad from U.S.-made components pay duty only on the value of the assembly and not on the U.S. components. ■

TREATIES

Current Actions

MULTILATERAL

Aviation

Protocol amending the agreement of Sept. 25, 1956, as amended, (TIAS 4048, 5369, 8421, 9673), on the joint financing of certain air navigation services in Iceland. Done at Montreal Nov. 3, 1982. Enters into force on the 60th day after the date on which instruments of acceptance or accession have been deposited by all the present parties. Notwithstanding the foregoing, this protocol, with the exception of Article 9, shall be applied provisionally from Jan. 1, 1983.

Protocol amending the agreement of Sept. 25, 1956, as amended (TIAS 4049, 5369, 8421, 9673) on the joint financing of certain air navigation services in Greenland and the Faroe Islands. Done at Montreal Nov. 3, 1982. Enters into force on the 60th day after the date on which instruments of acceptance or accession have been deposited by all the present parties. Notwithstanding the foregoing, this protocol, with the exception of Article 10, shall be applied provisionally from Jan. 1, 1983.

Signatures: Belgium, Canada, Cuba, Czechoslovakia, Denmark, Finland, France, F.R.G., Greece, Iceland, Ireland, Italy, Japan, Netherlands, Norway, Sweden, Switzerland, U.K., U.S. Nov. 3, 1982.

Editors' Note: The first entry in the October 1982 BULLETIN should read: Protocol on the authentic quadrilingual text of the convention on civil aviation (TIAS 1591) with annex. Done at Montreal Sept. 30, 1977.¹

Signature: Austria,² Aug. 4, 1982.

Commodities

Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.¹

Signature: Ghana, Dec. 1, 1982;

Singapore, Dec. 17, 1982.

Ratification deposited: Guinea, Dec. 9, 1982; Tunisia, Dec. 15, 1982.

Customs

Customs convention on the international transport of goods under cover of TIR carnets, with annexes. Done at Geneva Nov. 14, 1975. Entered into force Mar. 20, 1978; for the U.S. Mar. 18, 1982.

Ratifications deposited: Belgium, Denmark, F.R.G., Ireland, Italy, and Luxembourg, Dec. 20, 1982.

Acceptance deposited: Netherlands, Dec. 20, 1982.

Approval deposited: EEC, Dec. 20, 1982.

Education—UNESCO

Convention on the recognition of studies, diplomas, and degrees concerning higher

education in the states belonging to the Europe Region. Done at Paris, Dec. 21, 1979. Entered into force Feb. 19, 1982.² Ratification deposited: Hungary, Sept. 14, 1982.

Environmental Modification

Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977. Entered into force Oct. 5, 1978; for the U.S. Jan. 17, 1980. TIAS 9614.

Ratification deposited: Ireland, Dec. 16, 1982.

International Monetary Fund

Articles of agreement of the International Monetary Fund, formulated at Bretton Woods Conference July 1–22, 1944. Entered into force Dec. 27, 1945. TIAS 1501. Signature and Acceptance: St. Vincent and the Grenadines, Aug. 31, 1982.

Maritime Matters

Amendments to the convention of Mar. 6, 1948, as amended, on the International Maritime Organization (TIAS 4044, 6285, 6490, 8606, 10374). Adopted at London Nov. 15, 1979.¹

Acceptance deposited: Israel, Dec. 15, 1982.

Phonograms

Convention for the protection of producers of phonograms against unauthorized duplication of their phonograms. Done at Geneva Oct. 29, 1971. Entered into force Apr. 18, 1973; for the U.S. Mar. 10, 1974. TIAS 7808. Notification of ratification: Uruguay, Oct. 18, 1982.

Pollution

Convention on long-range transboundary air pollution. Done at Geneva Nov. 13, 1979.¹ Ratification deposited: Austria, Dec. 16, 1982.

Convention on the prevention of marine pollution by dumping of wastes and other matter, with annexes. Done at London, Mexico City, Moscow, and Washington Dec. 29, 1972. Entered into force Aug. 30, 1975. TIAS 8165.

Accession deposited: Nauru, July 26, 1982.

Protocol of 1978 relating to the international convention for the prevention of pollution from ships, 1973. Done at London Feb. 17, 1978.

Accessions deposited: Greece, Sept. 23, 1982; Italy, Oct. 1, 1982.

Enters into force: Oct. 2, 1983 (except for Annex II to the convention which will not enter into force until Oct. 2, 1986).

Property—Industrial—Classification

Nice agreement concerning the international classification of goods and services for the

purpose of the registration of marks of June 15, 1957, as revised (TIAS 7419). Done at Geneva May 13, 1977. Entered into force Feb. 6, 1979.² Notification of ratification: Italy, Nov. 19, 1982.

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (INTELSAT), with annexes. Done at Washington Aug. 20, 1971. Entered into force Feb. 12, 1973. TIAS 7532. Accession deposited: Uruguay, Dec. 7, 1982.

Operating agreement relating to the International Telecommunications Satellite Organization (INTELSAT), with annex. Done at Washington Aug. 20, 1971. Entered into force Feb. 12, 1973. TIAS 7532. Signature: Administracion Nacional de Telecomunicaciones, Uruguay, Dec. 7, 1982.

Reciprocal Assistance

Inter-American (Rio) Treaty of Reciprocal Assistance. Done at Rio de Janeiro Sept. 2, 1947. Entered into force Dec. 3, 1948. TIAS 1838.

Signature: Bahamas, Nov. 8, 1982.

Ratification deposited: Bahamas, Nov. 24, 1982.

Rubber

International natural rubber agreement, 1979. Done at Geneva Oct. 6, 1979. Entered into force Apr. 15, 1982. TIAS 10379. Notification of withdrawal: Turkey, Nov. 26, 1982; effective Nov. 26, 1983.

Sugar

Agreement extending the international sugar agreement, 1977 (TIAS 9664). Approved by the International Sugar Council Nov. 20, 1981 and May 21, 1982. Entered into force: Jan. 1, 1983.

Telecommunications

International telecommunication convention with annexes and protocols. Done at Malaga-Torremolinos Oct. 25, 1973. Entered into force Jan. 1, 1975; for the U.S. Apr. 7, 1976. TIAS 8572. Ratification deposited: Equatorial Guinea, Sept. 30, 1982.

Final Acts of the World Administrative Radio Conference for the planning of the broadcasting-satellite service in frequency bands 11.7–12.2 GHz (in Regions 2 and 3) and 11.7–12.5 GHz (in Region 1), with annexes. Done at Geneva Feb. 13, 1977. Entered into force Jan. 1, 1979.² Approval deposited: Sweden, Sept. 29, 1982.

Terrorism

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Adopted at New York Dec. 14, 1973.

Entered into force Feb. 20, 1977. TIAS 8532.
Accession deposited: Korea, Democratic People's Republic, Dec. 1, 1982.
Ratification deposited: Poland, Dec. 14, 1982.

Tonnage

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969. Entered into force July 18, 1982; for the U.S. enters into force Feb. 10, 1983.
Proclaimed by the President: Dec. 17, 1982.³

UNESCO

Constitution of the U.N. Educational, Scientific, and Cultural Organization. Concluded at London Nov. 16, 1945. Entered into force Nov. 4, 1946. TIAS 1580.
Acceptances deposited: Antigua and Barbuda, July 15, 1982; Belize, May 10, 1982; Bhutan, Apr. 13, 1982.

U.N. Industrial Development Organization

Constitution of the U.N. Industrial Development Organization, with annexes. Done at Vienna Apr. 8, 1979.¹
Ratifications deposited: Jamaica, Dec. 10, 1982; Syrian Arab Republic, Dec. 6, 1982.

Women

Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.²
Accession deposited: St. Lucia, Oct. 8, 1982.

Amendments to Articles 24 and 25 of the Constitution of the World Health Organization, as amended (TIAS 1808, 8086, 8534). Adopted at Geneva May 17, 1976 by the 29th World Health Assembly.¹
Acceptances deposited: Afghanistan, Sept. 20, 1982; Bolivia, June 16, 1982; Comoros, Dec. 13, 1982; Guyana, Sept. 30, 1982; Luxembourg, June 22, 1982; Qatar, Dec. 7, 1982.

Amendment to Article 74 of the Constitution of the World Health Organization, as amended (TIAS 1808, 8086, 8534). Adopted at Geneva May 18, 1978 by the 31st World Health Assembly.¹
Acceptance deposited: Luxembourg, June 22, 1982.

World Heritage

Convention concerning the protection of the world cultural and natural heritage. Done at Paris Nov. 23, 1972. Entered into force Dec. 17, 1975. TIAS 8226.
Accession deposited: Holy See, Oct. 7, 1982.⁴

BILATERAL

Argentina

Memorandum of understanding concerning the operation of the INTELPOST field trial, with details of implementation. Signed at Washington Aug. 24 and Oct. 12, 1982 and Buenos Aires Sept. 16, 1982. Entered into force Nov. 1, 1982.

Australia

Agreement amending the agreement of May 9, 1963, as amended, (TIAS 5377, 6527, 8338), relating to the establishment of a U.S. naval communication station in Australia. Effected by exchange of notes at Canberra Nov. 24, 1982. Entered into force Nov. 24, 1982.

Austria

Agreement extending the agreement of Feb. 25 and Mar. 3, 1977, as extended (TIAS 8686, 10135), on research participation and technical exchange in the U.S. Nuclear Regulatory Commission Loss of Fluid Test (LOFT) research program. Effected by telex and letter at Vienna and Washington Mar. 2 and Sept. 9, 1982. Entered into force Sept. 9, 1982; effective Mar. 3, 1982.

Canada

Agreement amending and extending the agreement of Mar. 19 and Sept. 20, 1979 (TIAS 9601) concerning support of U.S. activities at the Canadian National Research Council Space Research Facilities. Effected by exchange of notes at Ottawa Oct. 8 and Nov. 12, 1982. Entered into force Nov. 12, 1982; effective July 1, 1982.

Costa Rica

Extradition treaty. Signed at San Jose Dec. 4, 1982. Enters into force immediately upon the exchange of the instruments of ratification.

Egypt

First amendment to grant agreement of Dec. 30, 1979 (TIAS 9672) for telecommunications III. Signed at Cairo Aug. 16, 1982. Entered into force Aug. 16, 1982.

El Salvador

Air transport agreement, with annexes and related exchange of letters. Signed at Washington Apr. 2, 1982.
Entered into force: Nov. 22, 1982.

Finland

Agreement relating to jurisdiction over vessels utilizing the Louisiana Offshore Oil Port. Effected by exchange of notes at Washington Dec. 1, 1982. Entered into force Dec. 1, 1982.

Haiti

Agreement extending the agreement of Aug. 28, 1981, as amended and extended, for

the interdiction of narcotics and trafficking. Effected by exchange of notes at Port-au-Prince Oct. 15 and 22, 1982. Entered into force Oct. 22, 1982.

Honduras

Loan agreement for the economic recovery program I. Signed at Tegucigalpa Sept. 24, 1982. Entered into force Sept. 24, 1982.

Indonesia

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Jakarta Oct. 13 and Nov. 9, 1982. Entered into force Nov. 9, 1982; effective July 1, 1982.

Israel

International express mail agreement with detailed regulations. Signed at Washington and Jerusalem Sept. 8, and Oct. 24, 1982. Entered into force Jan. 24, 1983.

Italy

Treaty on mutual assistance in criminal matters. Signed at Rome Nov. 9, 1982. Enters into force upon exchange of instruments of ratification.

Supplementary protocol to the treaty on extradition signed at Rome Jan. 18, 1973 (TIAS 8052). Signed at Rome Nov. 9, 1982. Enters into force upon the exchange of instruments of ratification.

Japan

Agreement concerning fisheries off the coasts of the U.S. of America, with annexes and agreed minutes. Signed at Washington Sept. 10, 1982.
Entered into force: Jan. 1, 1983.

Kenya

Agreement for the sale of agricultural commodities, relating to the agreement of Dec. 31, 1980 (TIAS 9969), with minutes of negotiations. Signed at Nairobi Oct. 29, 1982. Entered into force Oct. 29, 1982.

Liberia

Agreement regarding the consolidation and rescheduling of certain debts owed to, or guaranteed by the U.S. Government and its agencies, with annexes. Signed at Monrovia Oct. 19, 1982. Entered into force Dec. 22, 1982.

Agreement regarding the consolidation and rescheduling of payments due under P.L. 480 Title I agricultural commodity agreements, with annexes. Signed at Monrovia Nov. 1, 1982. Entered into force Dec. 22, 1982.

Luxembourg

Memorandum of understanding on reciprocal defense procurement, with annex. Signed at Luxembourg Dec. 2, 1982. Entered into force Dec. 2, 1982.

CHRONOLOGY

Mexico

Memorandum of understanding concerning the furnishing of launch and associated services for the MEXSAT project. Signed at Mexico Nov. 18, 1982. Enters into force upon confirmation by the Government of the U.S. and the Government of Mexico through an exchange of diplomatic notes.

Agreement amending the agreement of June 2, 1977 (TIAS 8952) relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Nov. 8, 1982. Entered into force Nov. 8, 1982.

New Zealand

Memorandum of understanding on logistic support. Signed at Washington and Wellington May 13 and June 21, 1982. Entered into force June 21, 1982.

Agreement concerning the establishment of an astronomical observatory at Blackbirch Ridge, with memorandum of understandings and agreed minute. Effected by exchange of notes at Wellington Nov. 11, 1982. Entered into force Nov. 11, 1982.

Pakistan

Joint Commission on Economic, Commercial, Scientific, Technological, Educational, and Cultural Cooperation. Signed at Washington Dec. 6, 1982. Entered into force Dec. 6, 1982.

Portugal

Agreement amending the agreements of Aug. 14 and 27, 1979, Aug. 12 and 28, 1980, and Aug. 24 and 28, 1981 (TIAS 9599, 9846, 10252), concerning the grant of defense articles and services under the military assistance program. Effected by exchange of notes at Lisbon Aug. 16 and Sept. 29, 1982. Entered into force Sept. 29, 1982.

Romania

Agreement extending the May 21, 1981 program of cooperation and exchanges in education, cultural, scientific, technological, and other fields (TIAS 10150). Effected by exchange of notes at Bucharest Nov. 18 and 30, 1982. Entered into force Nov. 30, 1982.

Saudi Arabia

Agreement relating to jurisdiction over vessels utilizing the Louisiana Offshore Oil Port. Effected by exchange of notes at Jidda Mar. 1, 1981 and Oct. 20, 1982. Entered into force Oct. 20, 1982.

Spain

Memorandum of understanding pertaining to installation of satellite ground terminal at Rota, Spain. Signed at Rota Nov. 3, 1982. Entered into force Nov. 3, 1982.

Switzerland

Agreement in the area of carbide fuel development, with appendices. Signed at Bern Nov. 15, 1982. Entered into force Nov. 15, 1982.

Venezuela

Agreement implementing the air transport agreement of Aug. 14, 1953, as amended (TIAS 2813, 3117, 7549, 8433), with related memoranda. Effected by exchange of notes at Caracas Oct. 29 and Nov. 9, 1982. Entered into force Nov. 9, 1982.

¹Not in force.

²Not in force for the United States

³With understanding.

⁴With declaration. ■

December 1982

December 2

Filipe Gonzalez, leader of the Spanish Socialist Workers Party, is invested Prime Minister of Spain.

December 3

By a vote of 135-2 (U.S., Turkey) and 8 abstentions, U.N. General Assembly adopts a resolution calling on nations to "consider signing and ratifying" the Law of the Sea Convention (LOS) and appealing to the "Governments of all States to refrain from taking any action" that would undermine the Convention or defeat its "object and purpose." The resolution also called for the financing of the LOS preparatory commission from the U.N. budget. The President announced on Dec. 30 that the U.S. would withhold its pro rata share of the cost of the funding of the prepcom.

December 6

Pakistani President Mohammad Zia-ul-Haq makes a state visit to the U.S. Dec. 6-14, and to Washington, D.C., Dec. 6-9, 1982.

Final session of the Law of the Sea Conference is held in Montego Bay, Jamaica, Dec. 6-10, 1982, for the signing of the final draft and to open the convention for signatures. The U.S. previously announced that it will sign the final draft acknowledging 9 years of participation but will not be

signatory to the convention because of its objection to the seabed mining provisions. The convention is signed Dec. 10 by 117 nations. The U.S. and 46 other nations do not sign.

December 7

Secretary Shultz makes an official working visit to Europe Dec. 7-19, 1982, to hold high-level talks with European officials on a wide range of issues focusing on East-West trade, U.S.-Soviet relations, arms control, and U.S.-EC economic relations. The Secretary visits Bonn Dec. 7-8; Brussels, where he attends the NATO semiannual ministerial meeting, Dec. 8-11; The Hague, Dec. 11; Rome Dec. 11-14; Paris Dec. 14-15; Madrid Dec. 15-16; and London Dec. 16-19.

December 9

U.N. General Assembly adopts three resolutions calling for a comprehensive test ban (CTB) treaty. The first resolution, adopted by a vote of 111-1 (U.S.) with 35 abstentions, urged that steps be taken for early submission to the General Assembly of a CTB treaty. The resolutions—adopted by a vote of 124-2 (U.S. and U.K.) with 19 abstentions, and a vote of 115-5 with 25 abstentions—urged adherence to a treaty banning nuclear weapons tests in the atmosphere and outer space and requested three original parties to the treaty to discontinue all test explosions.

NATO semiannual ministerial meeting is held in Brussels Dec. 9-10, 1982.

December 10

In light of an "unconfirmed press report" that 25-30 prominent Suriname citizens being held in government custody were killed because of a coup attempt, the U.S. reviews its entire relationship with that country, including its aid program. The bodies of many of those killed were reportedly put on display in Paramaribo.

December 12

Prime Minister Poul Schluter of Denmark makes official working visit to Washington, D.C. Dec. 12-14, 1982.

Solidarity Day.

December 13

U.N. General Assembly adopts two resolutions calling on major powers to freeze output and emplacement of nuclear weapons by votes of 122-16 (U.S.) with 6 abstentions, and 119-17 (U.S.) with 5 abstentions. U.N. General Assembly adopts by consensus a U.S.-sponsored resolution on peace and disarmament movements which guarantees the free flow of information on disarmament

PRESS RELEASES

issues and the right of peace movements to organize in all regions of the world.

December 14

Portuguese Prime Minister Francisco Pinto Balsemao makes an official working visit to Washington, D.C., Dec. 14-15, 1982.

December 15

At the State Department, U.S.-Soviets open bilateral consultations to discuss efforts to prevent the spread of nuclear weapons Dec. 15-16, 1982. Ambassador Kennedy leads the U.S. delegation, while Ivan Morozov, the Soviet representative to the Board of Governors of the International Atomic Energy Commission, heads the Soviet delegation.

By unanimous vote, the U.N. Security Council adopts Resolution 527

- Condemning the "apartheid regime of South Africa for its premeditated act" against Lesotho;
- Demanding that South Africa pay "full and adequate compensation" to Lesotho for damages to "life and property";
- Reaffirming Lesotho's "right to receive and give sanctuary to the victims of apartheid";
- Requesting the Secretary General to consult with the Lesotho Government and U.N. agencies to "ensure welfare of refugees" in Lesotho;
- Requesting "Member States" to "urgently extend all necessary economic assistance" to Lesotho; and
- Calling upon South Africa to "declare publicly" that it will comply with the U.N. Charter and will not commit aggressive acts against Lesotho directly or through proxies.

December 17

Having completed review of the reported killings of prominent citizens by the Government of Suriname, the U.S. suspends "assistance and military sales" to that country until its government provides "an explanation of recent events and a better sense of the direction" in which it plans to move.

December 18

Jordan's King Hussein I makes an official working visit to Washington, D.C., Dec. 18-23, 1983.

December 19

Polish Government formally announces that martial law will end in January 1983.

December 21

Soviet General Secretary Yuriy V. Andropov discloses Soviet INF proposals to reduce number of Soviet missiles in Europe to number maintained by the U.K. and France, provided NATO abandons plans to modernize its intermediate-range nuclear forces. He also renews Soviet strategic arms proposals.

NATO rejects Soviet INF proposals on grounds that it would allow U.S.S.R. to maintain present monopoly over U.S. in longer-range INF missiles and expresses continued support for U.S. zero-zero proposal, which would eliminate the entire class of longer-range INF missiles. France and the U.K., in particular, reject Soviet attempt to include their independent forces in explicitly bilateral U.S.-Soviet negotiations.

Portuguese Prime Minister Balsemao resigns.

U.S. Senate rejects Reagan Administration's plan to set up a Government radio station—Radio Marti—to broadcast to Cuba.

December 28

In Khalde, Israel and Lebanon open talks aimed at withdrawal of all external forces from Lebanon. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
339	12/1	U.S., Republic of Palau call plebiscite on Compact of Free Association, Jan. 11.
*360	12/3	Program for the state visit of Pakistani President Mohammad Zia-ul-Haq, Dec. 6-14.
361	12/3	Shultz: press briefing, Brasilia, Dec. 1.
362	12/6	Dam: address before the Chicago Law Club, Chicago, Ill., Dec. 2.
363	12/6	Shultz: press briefing aboard Air Force One enroute Bogota, Colombia, Dec. 3.
*364	12/7	Shultz, Brock: press briefing aboard Air Force One between Brasilia and Sao Paulo, Dec. 2.
365	12/7	Shultz: press briefing aboard Air Force One en route San Jose, Costa Rica, Dec. 3.
366	12/7	Shultz: press briefing, San Pedro Sula, Honduras, Dec. 4.
367	12/7	Shultz, Enders: press briefing aboard Air Force One en route San Jose to San Pedro Sula, Dec. 4.
*368	12/7	Passport validity doubled to 10 years; fees to rise.
*369	12/	U.S., Colombia sign textile agreement, July 1 and Aug. 11.
370	12/9	Foreign Relations of the United States, 1951: Volume V, the Near East and Africa, released.
371	12/8	Shultz: news conference, Bonn, Dec. 7.
372	12/9	Shultz: toast, Bonn, Dec. 7.
373	12/9	Shultz: arrival statement, Brussels, Dec. 8.
*374	12/10	Program for the official working visit of Danish Prime Minister Poul Schluter, Dec. 12-14.
375	12/14	Shultz: news conference, Brussels, Dec. 10.
376	12/14	Shultz, Regan, Block: news conference, Brussels, Dec. 10.
377	12/13	Shultz: news conference, Amsterdam, Dec. 11.
*378	12/13	Program for the official visit of Portuguese Prime Minister Francisco Pinto Balsemao, Dec. 14-15.
*379	12/14	U.S. Organization for the International Radio Consultative Committee (CCIR), study group 5, Jan. 6.
*380	12/14	CCIR, study group 6, Jan. 10 and 11.
*381	12/14	Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), working group on the carriage of dangerous goods, Jan. 11.
*382	12/14	SCC, SOLAS, working group on containers and cargoes, Jan. 12.
383	12/14	Shultz, Colombo: news conference, Rome, Dec. 13.
*384	12/15	Shultz: news conference, Paris, Dec. 14.
385	12/15	Shultz: toast, Rome, Dec. 13.
*386	12/16	Advisory Committee on Private International Law, study group on arbitration, Jan. 28.
*387	12/16	Advisory Committee on Private International Law, study group on negotiable instruments, Jan. 14.
*388	12/16	SCC, Committee on Ocean Dumpings, Jan. 5 and 27.
*389	12/16	SCC, SOLAS, working group on fire protection, Jan. 6.
*390	12/15	Edward L. Peck sworn in as Ambassador to Mauritania (biographic data).
*391	12/16	Shultz: toast, Madrid, Dec. 15.
392	12/16	Shultz: statement at CSCE, Madrid, Dec. 16.
*393	12/17	Program for the official working visit of Jordan's King Hussein, Dec. 18-23
*394	12/17	James B. Pearson and June T. Dreyer appointed to Board of Governors to the East-West Center.

PUBLICATIONS

- *395 12/21 U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCITT), modem working party, study group D. Jan. 6 and 7.
- *396 12/21 CCITT, study group A, Jan. 7 and 18.
- *397 12/22 Paul D. Wolfowitz sworn in as Assistant Secretary for East Asian and Pacific Affairs (biographic data).
[Not issued]
Shultz, C.
Robert B.
Ambassador
Somalia Dem.
Republic (biographic data).
- *401 12/27 John H. Holdridge sworn in as Ambassador to Indonesia (biographic data).
- 402 12/27 Shultz: news conference, Madrid, Dec. 16.
- *403 12/28 Shultz: news conference, en route Bonn from Andrews Air Force Base, Dec. 6.
- *404 12/28 Shultz: remarks at Christmas tree lighting ceremony, Dec. 20.
- *405 12/28 Advisory Committee on International Investment, Technology, and Development, Jan. 18.
- *406 12/28 Advisory Committee on International Investment, Technology, and Development, Jan. 19.
- *407 12/28 SCC, SOLAS, panel on bulk cargoes, Feb. 3.

*Not printed in the BULLETIN. ■

Department of State

Free, single copies of the following Department of State publications are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

Vice President Bush

A New Partnership with Africa, Kenya Chamber of Commerce, Nairobi, November 19, 1982 (Current Policy #438).

Secretary Shultz (and others)

Promoting Free Elections, Secretary Shultz, U.S. Permanent Representative to the U.N. Kirkpatrick, Assistant Secretary for Human Rights and Humanitarian Affairs Abrams, Conference on Free Elections, State Department, November 4-6, 1982 (Current Policy #433).

Africa

Challenge to Regional Security in Africa: The U.S. Response, Assistant Secretary for African Affairs Crocker, Baltimore Council on Foreign Relations, Baltimore, Md., October 28, 1982 (Current Policy #431).
Background notes on Comoros (December 1982).

Background Notes on The Gambia (November 1982).
Background Notes on Mauritius (December 1982).
Background Notes on Niger (November 1982).
Background Notes on Sudan (November 1982).

Arms Control

World Disarmament Campaign, U.S. Deputy Permanent Representative to the U.N. Adelman, Committee I, U.N. General Assembly, New York, November 4, 1982 (Current Policy #437).

Evolution of the U.S. START Approach, Assistant Secretary-designate for European Affairs Burt, from *NATO Review*, Vol. 30, September 1982 (Current Policy #436).
Nuclear Energy: Opportunities and Problems, Under Secretary for Management Kennedy, American Industrial Forum and the American Nuclear Society, Washington, D.C., November 17, 1982 (Current Policy #434).

Nuclear Weapons: What is the Moral Response? Assistant Secretary for Human Rights and Humanitarian Affairs Abrams, Chicago World Affairs Council, September 29, 1982 (Current Policy #426).

Foreign Relations Volume Released

The Department of State today released *Foreign Relations of the United States*, 1951, Volume V, The Near East and Africa. The *Foreign Relations* series has been published continuously since 1861 as the official record of U.S. foreign policy. The volume released today is the fifth of seven volumes covering the year 1951. Three other volumes recording the years 1952-1954 have also been released.

The volume presents 1,497 pages of documentation, most of it previously unpublished and newly declassified, on U.S. relations with the Near and Middle East, and with Africa, during the year 1951. The documentation is accompanied by scholarly aids, including lists of persons, abbreviations, and sources.

The portion of the volume on the Near and Middle East covers basic U.S. military and economic policies in the region; the origins and development of proposals to establish a Middle East Command; and U.S. interest in the development of the petroleum resources of the area. The section on U.S. relations with Israel and U.S. interest in

resolving the Arab-Israeli dispute comprises the largest single collection of material in the volume. Other sections present documentation on bilateral relations with Egypt, Greece, Iraq, Jordan, Kuwait, Lebanon, Saudi Arabia, Syria, Turkey, and Yemen.

The portion of the volume on Africa covers general U.S. policies toward Africa and U.S. relations with Ethiopia, the Gold Coast (Ghana), Liberia, Morocco, Tunisia, and the Union of South Africa.

Foreign Relations, 1951, Volume V, was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. Copies of Volume V for 1951 (Department of State publication 9114; GPO Stock No. 044-00-01914-1) may be purchased for \$21.00 (domestic postpaid) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Checks or money orders should be made out to the Superintendent of Documents.

Press release 370 of Dec. 9, 1982. ■

General

President Reagan's Framework for Peace, National Security Adviser Clark, City Club and Chamber of Commerce, San Diego, California, October 29, 1982 (Current Policy #430).

Middle East

Securing a Peaceful Future for Lebanon, Deputy Secretary Dam, Chicago Law Club, Chicago, Ill., December 2, 1982 (Current Policy #439).

South Asia

Afghanistan: Three Years of Occupation, Eliza van Hollen, Bureau of Intelligence

and Research, December 1982 (Special Report #106).

Call for Soviet Withdrawal from Afghanistan, U.N. Permanent Representative to the U.N. Kirkpatrick, U.N. General Assembly, November 24, 1982. Text of U.N. General Assembly Resolution A/37/37, adopted November 29, 1982 (Current Policy #441).

Trade

U.S. Trade Policy (GIST, December 1982).

Western Hemisphere

Dealing with the Reality of Cuba, Assistant Secretary for Inter-American Affairs Enders, Subcommittees on Inter-American

Affairs and on International Economic Policy and Trade, House Foreign Affairs Committee, December 14, 1982 (Current Policy #443).

Declaration on Democracy in Central America, Department statement and summary, October 5, 1982, and Final Act of Meeting of Foreign Ministers of Countries Interested in Promotion of Democracy in Central America and the Caribbean, October 4, 1982 (BULLETIN Reprint, December 1982).

Programs Underway for the Caribbean Basin Initiative, U.S. Permanent Representative to the OAS Middendorf, Committee for 806 and 807, Washington, D.C., November 8, 1982 (Current Policy #442).

El Salvador (GIST, November 1982). ■



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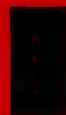
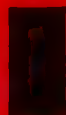
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Asia / 40**



Department of State bulletin

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Cover:
**Vice President Bush at Heathrow Airport,
near London.**

(White House photo by Cynthia Johnson)

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GEORGE P. SHULTZ

Secretary of State

JOHN HUGHES

Assistant Secretary for Public Affairs

PAUL E. AUERSWALD

Director,
Office of Public Communication

NORMAN HOWARD

Chief, Editorial Division

PHYLLIS A. YOUNG

Editor

JUANITA ADAMS

Assistant Editor

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Vice President Bush at the Berlin Wall with Mayor Richard von Weizsaecker and Chancellor Kohl.

Vice President Bush Visits Europe

*Vice President Bush departed Washington, D.C.,
January 30, 1983, to visit
Bonn (January 30-31), Berlin (January-February 1),
The Hague (February 1-2), Brussels (February 2-4),
Geneva (February 4-5), Nuremberg (February 5),
Rome and the Vatican (February 5-8),
Paris (February 8-9),
and London (February 9-10). He returned
to Washington on February 10.*

*Following are the Vice President's remarks,
news conferences, and toasts he made on various
occasions during the trip.¹*

Bonn

Arrival Statement, January 30, 1983

I'm happy that my first stop on this 2-week trip through Europe should be Germany. President Reagan asked me to go on this trip in order to consult with our NATO friends and allies. He believes, as we all do, that our alliance represents the best chance for preserving the peace we have been so successful in keeping for so many years now.

We are an alliance of free peoples. We have differences, but in free societies we welcome debate. Our very right to speak our minds without fear is what distinguishes our alliance from the other alliance on the European Continent. We can make sure those liberties, and the peace, survive by remaining vigilant.

The partnership between the NATO allies is strong because we recognize

that personal freedom and social justice are at the heart of human dignity and tranquility. It is strong, too, because we know that our security demands an alliance which is both true to its principles and flexible when it comes to external challenge and threats.

It would be hard to arrive in Germany tonight without being aware of the anniversary that today represents. And it would be hard not to be reminded of the terrible experience of war that our generation has been through. Who knows better than the German people the ghastly toll of suffering and devastation that the wars of this century have brought? And who knows better than the German people what effort it took to rebuild this country?

The American people are proud that they contributed to that effort through the Marshall plan, whose 35th anniversary we marked last year. We share your pride, and we take great satisfaction in your strong democratic institutions and in the remarkable economic growth and prosperity that you have achieved in the postwar period.

(White House photos by Cynthia Johnson)



With Chancellor Helmut Kohl.

For nearly four decades, we and our NATO allies have kept the peace in Europe. We have done it by maintaining our strength and our will to defend ourselves; by linking U.S. and Europe's security; by being open to dialogue that aims to reduce tensions with the East; and by being committed to genuine arms reduction. That has been our policy, and that remains our policy today. That is why I am confident that my discussions with our allies will affirm our unity on a policy that has given us the longest period of uninterrupted peace in Europe for more than a century.

In that spirit, let me say to our German hosts, and to all the German people: ours is a mission to maintain the peace, and we are pleased that our journey has brought us here.

Remarks After Meeting With Chancellor Kohl, January 31, 1983

I'm delighted to be here in Bonn. As I said at the beginning of my journey, the purpose of my trip was to meet and consult with our allies and friends in Europe regarding the major issues of the day and particularly our joint efforts to reduce the level of nuclear weapons, not only in Europe, but throughout the world. Our meeting this morning was warm, friendly, candid—the way meetings are between friends.

The relationship between the United States and the Federal Republic of Germany is based on shared values—our belief in democratic institutions, faith in human rights. This year marks the German-American tricentennial. And, I am glad to say I have accepted Chancellor Kohl's kind invitation to come to Krefeld June 25 as another symbol of our on-going relations.

The relationship between the United States and the Federal Republic of Germany is essential if we are to maintain peace and security as we have for nearly four decades. Our discussions focused on East-West relations and the negotiations now taking place in Geneva regarding intermediate-range nuclear weapons. I also told Chancellor Kohl of President Reagan's willingness to explore serious Soviet proposals. The President is personally committed to negotiating nuclear arms reductions. He is also insistent on equality and verifiability—a position shared by our friends here.

During our discussions, we also agreed to stick to the two-track decision adopted by NATO in 1979. There is no doubt between us that our strength lies in unity. And our strength, common purpose, and mutual cooperation has been the greatest deterrent to war and has preserved the peace in Europe for the longest period of time in nearly a century.

This afternoon we will leave Bonn and travel to Berlin. I just want to take this time to thank the leaders of this great country and the people of this wonderful city for all their kindness and hospitality.

Berlin

Remarks at Dinner Hosted by Governing Mayor, January 31, 1983

I passed through Germany some months ago on my way to a funeral in Moscow, but this is my first time in Berlin. That fact alone surprises me, because Berlin has long been in my consciousness, as it has been in the consciousness of all Americans. Twenty years ago, in a square now called John F. Kennedy Platz, an American president gave a speech which is still well remembered. In his speech he said of those who do not understand the great issues between the free world and the Communist world: "*Lass' sie nach Berlin kommen.*" ["Let them come to Berlin."]

FEATURE

Vice President in Europe

I am glad that this speech should come in the first day of my European trip. No other city in Europe could offer a more compelling setting for this discussion tonight. For Berlin is unique, an island of democracy in a threatening sea. It has survived violent storms. Throughout, the character and unbreakable courage of its citizens have inspired lovers of freedom all over the world.

For nearly four decades now, the people of the Federal Republic of Germany and its allies have worked together, with diligence and with passion, to see that Berlin survived as a free city. I spoke a moment ago of the American consciousness of Berlin. Those of us who were alive in 1948 and 1949 recall vividly the struggle for Berlin. The memories of Berliners who lived through that period still evoke feelings that bind us to each other.

I am thinking of the Berlin worker who said, "Early in the morning, when we woke up, the first thing we did was to listen to see whether the noise of aircraft engines could be heard. That gave us the certainty that we were not alone, that the whole civilized world took part in the fight for Berlin's freedom."

I am thinking, too, of another sanguine Berliner who reflected after it was all over: "God knows, even the best blockade is no bargain. But if there must be a blockade, then it's better to be blockaded by the Soviets and fed by the Americans. Just imagine if it were the other way around!"

The German and American peoples have a long and spirited relationship. Nearly 20% of the American people trace their origins to this country. This year will mark the 300th anniversary of the first German immigrants to America. I don't expect you to be impressed by that. Three hundred years is not such a long time to inhabitants of a city that is almost 750 years old; but for us it is a very long time indeed.

Tomorrow morning I shall visit the Berlin Wall, a monument to a great evil. I will only be visiting it; but you must live with it and with all that it does to the German people. That monstrous wall helps us all to reflect on what we have achieved and on how we achieved it. The alliance on the other side of the wall is based on domination; ours is based on cooperation. And it is in that spirit that I have come to Europe. I have come in

the pursuit of peace. During the next 10 days I will be meeting with many European leaders. And if my visit to Europe encourages public debate, I welcome it. NATO is strong enough to sustain the most spirited public debate. We do not shrink from dialogue, because for the Western democracies, diversity has always been our source of strength.

And so I have come to Germany with neither a lecture, nor threats. You have been subjected to both of these in recent weeks from those who have accepted your hospitality; and, as you say, "*Genug ist genug*." ["Enough is enough."] When he arrived in Berlin 20 years ago, President Kennedy said, "... those who live nearest the adversary, those who keep the watch at the gate, are always prouder, more courageous, more alive, than those who live far to the rear." He who presumes to instruct Berliners presumes a great deal indeed.

Those of us who live in the rear—if any territory in this nuclear age can truly be called the rear—can learn by standing in the shadow of the wall. Equally compelling is the principle upon which our alliance is based. It is there, for friend and foe to see, in the North Atlantic Treaty, Article 5—an attack on one of them shall be considered an attack on all.

President Reagan's Letter To The People of Europe

January 28, 1983

American and Soviet officials have just resumed negotiations aimed at reaching an agreement to control intermediate-range nuclear weapons. We have proposed and will continue to urge the Soviets to agree to ban altogether both their intermediate-range land-based nuclear missile weapons and those we intend to deploy in response to their build-up. The Soviet insistence on maintaining a nuclear threat to America's Allies while denying them the corresponding means to deter that threat remains the principal obstacle.

A way must be found to overcome this obstacle. Just as our Allies can count on the United States to defend Europe at all cost, you can count on us to spare no effort to

NATO's Strategy and Current Myths

NATO's strategy has no more important goal than that of making this principle credible. If our linkage to each other is credible, we can insure deterrence. We can insure our freedom. And we can insure peace.

But the Soviet Union's unprecedented arms buildup of the last 15 years has threatened to undermine the credibility of NATO's deterrent. And the Soviets have attempted to break the linkage between European and U.S. security so essential to Article 5. The Soviet buildup has been relentless and thorough, conventional and nuclear. There is no disagreement on that score. And one of its most dangerous new elements has been its monopoly on intermediate-range nuclear missiles which can strike Europe. I am speaking of weapons which could reach this room in a few minutes.

If the Soviet Union eventually succeeded in breaking that linkage—if it could separate the United States and our armed forces from the defense of our allies in Europe—our deterrence would be undermined, and with it the peace we have all maintained for nearly four decades. And that is precisely why in December of 1979, the nations of NATO—all the nations of NATO—made a two-part decision: first, to deploy in Europe NATO weapons capable of

reach a fair and meaningful agreement that will reduce the Soviet nuclear threat.

In this spirit, I have asked Vice President Bush, in the city where East meets West, to propose to Soviet General Secretary Andropov that he and I meet wherever and whenever he wants in order to sign an agreement banning US and Soviet intermediate-range land-based nuclear missile weapons from the face of the Earth.

I make this offer out of a conviction that such an agreement would serve the interests of both sides and, most importantly, that the people of Europe want nothing more. I urge Mr. Andropov to accept it.

RONALD REAGAN

detering an attack by Soviet SS-20s and other intermediate-range nuclear forces (INF). The second part of the decision was to enter into negotiations with the Soviet Union in order to reduce the level of these weapons on both sides.

(As a footnote to December of 1979, it is worth remembering that was also the month the Soviet Union sent tens of thousands of its troops into Afghanistan, where over 100,000 of them remain today.)

NATO's decision was the result of exhaustive consultation. As a consequence, it was the right decision. It was the right decision then; and it is the right decision now.

It has also become a controversial decision. It has become controversial in part because of certain myths that have gained currency. Under the light of reasoning, these myths vanish, because they are shadows without substance.

- The first myth is that the deployment of these intermediate nuclear forces would change NATO's strategy. Untrue. The exact opposite is the case: The INF decision is, in fact, essential in order to maintain the strategy that has always been a bedrock of NATO—maintaining linkage between the United States and its allies that insures deterrence.

- The second myth is that this decision was somehow thrust on an unwilling Europe by the United States. Anyone who so much as reads newspapers knows this is absurd. The NATO decision was a response to widespread concern, especially in Europe, over the alarming buildup of Soviet INF forces.

- Third, we are asked to believe that the INF deployments would increase the alliance's reliance on nuclear weapons. But, in fact, we decided at the same time to withdraw 1,000 nuclear warheads from Europe. That withdrawal has been completed. Thus, even after deploying the INF forces, there would still be fewer allied nuclear warheads in Europe than there were in 1979.

- The fourth, and last, myth is that these INF deployments would be a step toward nuclear war-fighting and to war-fighting confined to Europe alone. But NATO's policy has always been one of peace and deterrence, which depends on balance, not imbalance. As to the notion that the United States desires to confine conflict to Europe alone, well, I find this

proposal bitterly ironic. I can do no better than to quote from a European publication, *The Economist* of London, from a cover article entitled: "Can So Many Young People Be Wrong About the Bomb? Yes, They Can." The article said: "Nothing more justifiably infuriates the Americans than the allegation that they want to put cruise missiles and Pershing II missiles into Europe in order to have a purely European nuclear war. These missiles were originally proposed—by Europeans—for exactly the opposite reason." *The Economist* is right. Nothing infuriates the President and me more than the suggestion we are preparing to fight a nuclear war, because we are not preparing to fight a nuclear war. We are preparing to deter war.

It is the very presence of American forces that provides a guarantee of U.S. involvement in any attack on Western Europe. And that goes a long way toward guaranteeing that the Soviets will not be encouraged to launch an attack. There are in Europe about 350,000 American military personnel, who, as part of the NATO security forces, provide, in President Reagan's words, the "living" guarantee of our commitment to the peace and security of Europe. Our security is indivisible from Europe's security. An attack on you is an attack on us.

Peace Movements

From time to time I am asked what I think of the antinuclear peace demonstrators. I confess I am sometimes tempted to say, "Which ones do you mean? The ones here or the ones in the Lubyanka?" Well, my answer is this: I have great warmth for anyone who is for peace. It so happens we, too, are for peace. I also have the greatest warmth for anyone who is against nuclear war. It so happens we, too, are against nuclear war.

The NATO countries have fought and paid the price for the framework of freedoms within which those antinuclear groups march and demonstrate and speak their minds. Is there any among us who is not proud that these voices can find their fullest expression in our countries? Is there any among us who would not welcome, or even thrill to, the sight of antinuclear demonstrations in

Red Square? Is there any West German who was not saddened to witness the swift and ruthless suppression of a similar movement on the other side of the wall? Franz Kafka, were he alive, might have been grimly amused by the fact that the Eastern regime even outlawed the very symbol of their movement: a Soviet statue of a man beating a sword into a ploughshare.

There have been other movements in the Warsaw Pact countries. And we remember them well. We remember East Germany in 1953. We remember Hungary in 1956. We remember Czechoslovakia in 1968. And today our thoughts are of Poland. Outside of Europe, the world has seen over 100 armed conflicts and wars since NATO came into being. Joseph Luns, our alliance's Secretary General, said, memorably: "NATO is the real peace movement."

The Need for Credible Arms Negotiations

We are always—and especially now—looking for new ways to preserve what we have won over the last four decades. That is why both elements of NATO's decision on INF are inseparable and mutually reinforcing. By that I mean just this: If we are to be credible in our arms negotiations, the alliance must be united in its determination to deploy the INF systems if necessary. Why? Because otherwise the Soviet Union will simply have no incentive at all to negotiate seriously. None whatsoever.

When he came into office, President Reagan reviewed the INF decision and endorsed it. Then, in November 1981, he announced a proposal. The United States, he said, would seek the complete elimination of these most destabilizing and threatening weapons—the land-based intermediate nuclear missiles.

The Soviet Union, in the meantime, responded with a thundering "nyet," followed by a tremendous public offensive designed to drive a wedge between the United States and its European allies. As part of that offensive, Mr. Gromyko, the Foreign Minister of the Soviet Union, traveled to Germany recently. He spent a good deal of his time declaring that the United States is, as usual, trying to plunge the world into nuclear holocaust. I followed Mr.

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Gromyko's statements very closely, and I was left wondering whether he reminded Germans of the German proverb: "*Wenn der Fuchs predigt, schau auf deine Gänse.*" ["When the fox preaches, look to your geese."]

The Soviets have made proposals of their own. They said that the zero-option proposal was unacceptable. Then they said that even an interim-basing agreement would be unacceptable. One concludes that what the Soviets do find acceptable is its own monopoly of nuclear weapons aimed at the heart of Europe. Having said that, I think I can safely predict that the Soviet Union will announce tomorrow that it finds me unacceptable.

For his part, President Reagan has said that the United States will consider any and all reasonable Soviet offers at the negotiating table in Geneva. That is what we are doing right now. Ambassador Paul Nitze [head of the U.S. delegation to the INF negotiations in Geneva] is meeting now with his Soviet counterpart to negotiate a treaty that will maintain NATO's security and preserve the peace.

The United States is a member of a defensive alliance. And it takes pride in having tried, since 1945, to bring about arms control through negotiations with the Soviet Union. The very first proposal for international control of atomic bombs was proposed by President Truman at the United Nations. The Baruch plan, as it was named, called for the "creation of an international Atomic Energy Development Authority" to which all aspects of the development and use of atomic energy would have been entrusted. The Baruch plan, which called for on-site inspection of nuclear facilities, was rejected by the Soviet Union—at a time when the United States was the only nation possessing atomic weapons.

Then, in 1955, President Eisenhower called for an "open skies" policy. He proposed that the United States and the Soviet Union immediately exchange blueprints of their military establishments and begin aerial reconnaissance in order to prevent surprise attack and begin a comprehensive and effective inspection and disarmament system. This, too, was rejected by the Soviet Union.

Other American Presidents made some progress, however limited. President Kennedy put forward the atmospheric test ban treaty; and President



At the Berlin Wall with Defense Minister Manfred Woerner (right) and the Mayor of Moedlareuth.

Nixon was able to negotiate the anti-ballistic missile treaty and SALT I [Strategic Arms Limitation Talks]. But these did not stop the proliferation of increasingly sophisticated nuclear weapons.

During the past 37 years, we have been dealing with determined adversaries, who know their objective and who have moved methodically to achieve it. Their objective—not ours, but theirs—is clear military force superiority over the United States and our European allies, intended to break the security linkage that has made the NATO alliance so effective.

Yet, in spite of this, the United States has pursued a policy of unilateral nuclear restraint for more than a decade. As I mentioned earlier, in 1981 alone, the United States withdrew 1,000 nuclear warheads from Western Europe. I know of no comparable, uncompensated nuclear reduction by the Soviet Union in the entire postwar period. As a matter of fact, since the mid-1960s, the United States has reduced its nuclear arsenal worldwide by some 8,000 warheads.

During the last decade, the United States did not deploy any new ICBMs [intercontinental ballistic missiles], or any new ballistic-missile submarines, or any new bombers. But over the same period of time, the Soviet Union deployed an entire new generation of land-based strategic missiles, including three multiple-warhead, land-based systems, as well as three new submarine systems and a new bomber. In so many words, the United States has maintained a self-imposed, decade-long, *de facto* freeze during the time the Soviet Union pursued a vigorous military buildup.

On November 2, 1977, Chairman Brezhnev said: "We do not want to upset the approximate equilibrium at present . . . between East and West and central Europe, or between the U.S.S.R. and the United States." At that time the Soviet Union had about a dozen SS-20s.

But it was that old fox Lenin who said, "Facts are stubborn things." Since Mr. Brezhnev made that statement, Soviet SS-20s have been sprouting like fields of asparagus, more than 300 in all. These could not have been put there to redress some supposed military imbalance created by the West, because

NATO has no comparable weapons. Indeed, the first comparable NATO weapons will only be available for deployment at the end of the year, more than 6 years after the SS-20s first appeared.

This is why it is very difficult to believe that the Soviet Union's motives are, as it says, purely defensive. Berliners know better than most what it takes to wrest an acceptable agreement from the Soviet Union. NATO's deployments are in the headlines today, but a decade ago the headlines were about the negotiations over the very status of Berlin itself. The Soviet Union had mounted a public offensive to divide the allies then, as they have today. But the West, by negotiating in good faith, by being creative and flexible, and by remaining true to the principles which have brought us so far, was able to secure an agreement which preserved Berlin's vital interests.

The United States views its presence in Berlin as an absolutely sacred trust. Our military forces stand ready to defend the Western sectors from any threat. We are totally dedicated to the Quadripartite Agreement, and we will continue to expect strict observance and full implementation of all its provisions in all sectors of Berlin, East and West. We also support fully the ties between Berlin and the Federal Republic of Germany, because they provide the vital foundation for the economic prosperity and for the democracy of the Western sectors.

So one asks: Is it being intransigent to follow the same path today in our negotiations with the Soviet Union that we followed a decade ago? Or prudent?

We know that many in Europe and the United States are anxious for a rapid agreement—for a breakthrough in our arms negotiations in Geneva. Permit me, if you will, a personal note. I work very closely with President Reagan. And you can take me at my word when I say that no one is more anxious than he for a just agreement. And no one is more determined than he to achieve one.

Basic Objectives

Now permit me to ask this: Should we, in our eagerness for a rapid agreement—for any agreement, as it were—lose sight of our basic objectives, bearing in mind these are no less than

security and peace? Such a question answers itself. No, we must not let our eagerness for rapid negotiating progress cause us to lose sight of or compromise our basic objectives—objectives vital to achieving an agreement which provides for the security of Europe.

First, we must reduce the nuclear threat to Europe to the lowest possible level. We would fail miserably in our responsibilities to ourselves and to our children if we merely legitimized the already awesome levels of nuclear firepower directed by the Soviets against Europe. We would fail, too, if we accepted a somewhat lower but still unimaginably destructive Soviet monopoly. And that is why we proposed the complete abolition of intermediate-range nuclear missiles. Because that is how to reduce the nuclear threat to the lowest possible level.

Second, we must bring about a balanced agreement. It cannot be acceptable to the West to concede a permanent monopoly of nuclear missiles to the Soviets without allowing NATO to deploy comparable systems to deter the threat they represent.

Third, a sound agreement must preclude artful circumvention. It is not enough merely to permit the Soviets to withdraw mobile missiles behind some artificial line, only so they can re-cross the line on short notice. Nor is it enough to give the Soviets credit for offering to eliminate some obsolete and unreliable missiles—military antiques, really. Let us all agree that we need more effective measures than that if we are to reduce the nuclear threat to Europe.

Fourth, we need an agreement which can be verified. Even with sophisticated intelligence capabilities, it is very difficult to keep track of mobile missiles. The fact is, it is easier to detect some missiles when there are supposed to be none, than it is to detect, say 60 missiles when there are supposed to be 50. That is a crucial point. All the more so when you cannot rely on your negotiating partner to be fully forthcoming in your attempts to verify the size of his arsenal.

I have spoken tonight at some length. The complexity of the issues before us is sometimes overwhelming. The number of missiles, the number of launchers, the number of warheads, their throw-weight, proposal, counter-

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proposal, counter-counter-proposal—these facts and numbers have, I think, obscured a much more central and much more compelling realization, because we are united by needs that supersede mathematics.

It is hard to avoid the details. But if numbers are to inform our consciousness and our reasoning, should we not consider, above all, 38? We all know what that represents: The amount of years we have lived in the peace and security that we together made possible by binding ourselves to each other. Thirty-eight years—the longest, uninterrupted peace this continent has known this century. Then our real mathematical reckoning and our most demanding task becomes: How do we diminish the deadly numbers, while seeing to it that those four decades increase?

Departure Statement, February 1, 1983

First of all, I want to thank my German hosts for their warmth and wonderful hospitality during our visit to the Federal Republic of Germany during the past few days. To the people of this great country, we express our gratitude for making us so welcome.

After 2 days in Germany and Berlin, I am convinced that the U.S.-Germany bipartnership is as strong as ever and that our relationship is the bedrock of the NATO alliance in our pursuit of peace. We did not come here to lecture but rather to listen and to consult, and that's what we have done in a fashion benefiting and befitting a relationship such as ours.

In my discussions with government and political leaders—Chancellor Kohl, Foreign Minister Genscher, Mayor von Weizsäcker, the SPD [Social Democratic Party] chancellor candidate Vogel, and others—I heard strong support for maintaining the fundamental cohesion of the Western alliance. Opinion was unanimous that such cohesion is essential if we are to engage in productive dialogue with the East.

Our President is ready and willing to engage in such dialogue, and I told Chancellor Kohl and other leaders that the United States is pursuing every opportunity for an equitable agreement on

intermediate-range nuclear forces. We believe that the best agreement would be one that would ban, as President Reagan said in his open letter to the people of Europe, this new generation of nuclear forces, not only from Europe but from the face of the Earth.

I stressed in my talks here that the ability to obtain an equitable outcome will depend on implementing the terms of the 1979 NATO decision. The United States and its Western Allies have shown a common purpose and a deep and sincere commitment to reducing tensions, lowering the risks of war, and seeking an agreement that will have substantial reductions in nuclear weapons. Chancellor Kohl, whom I just left, assured me, after talking to almost all of the nations involved, of solid support for this position.

I believe that the Soviet leadership should seize this moment and take this opportunity to join us, and join our Western partners, and negotiate an agreement that achieves the peaceful aims that we seek. Ours is a moral position, and we are unified in our pursuit of this position.

Finally, in all of my discussions, we went beyond the technicalities of INF and arms control to focus on the basic values, on the democratic institutions that tie our countries together. All of this was brought back to me, I guess, in the clearest possible terms, with just this one brief visit to the Berlin Wall—very human terms—making me doubly grateful for the values of freedom that join this alliance. The U.S.-German partnership is one that is bound by common experiences, common values, common beliefs. In this 300th year of U.S.-Germany ties, we are determined to maintain the peace as we have for the past 38 years—this is the longest period of peace in Europe in nearly a century—and we are dedicated to preserving peace.

The Hague

Toast, February 1, 1983²

Your Majesty, Princess Margriet: it's a great pleasure for my wife and me to be here in the Netherlands and to enjoy your splendid hospitality once again. I say once again because the last time we had dinner together you were our hostess then as well. It was last year in Washington, when you came to represent your people and your country at the bicentennial celebration of Dutch-American relations. It was a grand dinner. But tonight I have to say, Your Majesty, that you have outdone yourself.

I also had the privilege during that visit last year of presiding when Her Majesty addressed a joint session of the U.S. Congress. Such sessions, called to hear a foreign head of state speak, are very rare in our country. I think that event showed the enormous importance we attach to our long friendship with the Netherlands.

The Netherlands was the first European country to recognize the flag of our young, upstart country back in 1776. It would be hard to find two other countries anywhere on Earth that can boast of two centuries of unbroken friendship.

Our friendship is strong because the ideas it is based on are strong and as imperishable alliance in 1983 as they were in 1782. One of these ideas is freedom of speech. As Queen Beatrix reminded us in her address to the joint session of Congress last year, the free discussion of different views is a sign of the strength of our alliance. For if we welcome a free and vigorous exchange of ideas within our countries, we also welcome such dialogue between our countries.

This morning in Berlin, I stood before the wall that separates our alliance from the one that begins on the other side, amid barbed wire and land mines and guard dogs and watchtowers. As I looked down on that desolate landscape, I thought of all we've fought to preserve and protect, and of all those in the East—the Sakharovs and the Shcharanskiys—who pay such a dear price for exercising the rights which we take for granted. I hope the day will never come when we take our alliance for granted. We face serious challenges.

Our adversaries continue unabated their massive and unprecedented military buildup. They persist, too, in their strenuous efforts to isolate us from one another. But they will find that we are not so easily divided, because the past four decades have shown us that the peace of Europe is the fruit of our alliance, not theirs. History is on our side, not theirs. And they will find that we in the United States will not simply abandon our European allies to the nuclear threat that has cast an ugly specter over the security of free Europe.

At the same time, the United States will persist in its efforts to reduce this threat by negotiating patiently. The President took one more step last night in his offer to meet Chairman Andropov anytime and anywhere to sign a treaty banning an entire class of nuclear weapons.

And so I should like to conclude my toast by referring to a toast Her Majesty made at the White House last year. On that occasion she said there is infinitely more that binds us than separates us. In that spirit, let me propose a toast: to Her Majesty the Queen, to all that binds us, and to the next 200 years of friendship between the Netherlands and the United States.

News Conference, February 2, 1983

First I would be remiss if I didn't express my thanks and those of our entire party, for the warmth and hospitality that Her Majesty, Queen Beatrix, and you and members of your government and people have shown us during this all too brief visit.

I am also pleased to say that after discussions with you and with Chancellor Kohl of the Federal Republic of Germany, I have learned more than enough to know that the Western alliance remains strong and remains unified. This alliance, which stands for, and safeguards, our freedom, safeguards democratic principles, safeguards human rights, has been responsible for deterring war and keeping the peace for nearly four decades. This is the longest peacetime period in Europe in this century.

It is an achievement that we can be proud of. While there have been a hundred wars in other parts of the world, there have been none in Europe. When I

began this trip, I said that my mission was to meet with, and consult with, our allies and to explain our views on the issues which confront us.

This, we made clear at the outset, is not a negotiating journey. However, I will have the opportunity on this trip to travel to Geneva to meet with the American and Soviet representatives who are engaged in serious negotiations to reduce strategic and intermediate-range nuclear weapons in Europe and, indeed, in the world. The talks are of the utmost importance to our people.

The President will do all that he can to see that the negotiations succeed. The United States and its allies are committed and determined to reduce both nuclear tensions and the number of nuclear weapons.

During the past 15 years, the Western alliance has witnessed an enormous Soviet military build-up. During the same period of time, the United States and Western allies have shown, we believe, restraint in our defense policies.

As a result of this moderation and a self-imposed, *de facto*, nuclear freeze, which includes the withdrawal of 1,000 nuclear weapons from Europe over the last 3 years, the Soviet Union presents an increasing threat, we feel, to Europe's deterrence. Some say that we are now attempting to gain superiority over the Soviet Union; that simply is not true.

What we are attempting to do is to achieve a defense posture that maintains a credible deterrence and in the process preserves the peace that your people, and our people, that all peoples crave. President Reagan has offered proposals to reduce the nuclear threat and banish not only from Europe, but from the face of the Earth, if you will, a new class of intermediate-range nuclear forces.

Just yesterday, Soviet General Secretary Andropov turned down the President's offer, but I think it is fair to say and ask the question over and over again: What is wrong with ridding the world of an entire class, an entire generation if you will, of nuclear missiles?

If the Soviets have another plan that would seriously address this question, our President has said that we would give it serious consideration. Our allies feel exactly the same way, and so far we

have been offered a policy which allows one side—in this instance the Soviets—to keep a monopoly on intermediate-range nuclear missiles but prevents the West from deploying any of its own. In short, one side—in this instance the Soviets—are talking about an INF missile monopoly.

The President has extended a peaceful proposal that would reduce tensions not only in Europe but throughout the world. And the allies have been together and supportive of this zero option. We are going to continue to press this position, because it is steeped in morality, and it is one that will maintain the peace.

The Soviets are engaged in an arms race. I like to feel that our President and our allies are engaged in a peace race.

Our two nations have been close friends for more than 200 years. We have stood shoulder-to-shoulder through both good and bad times. We have stayed close friends because of our mutual values, our cultural and defense and economic ties, and because we have always dealt honestly and openly with each other as equal partners. This is a strong and wonderful relationship. It means a great deal to the United States of America. I am confident that we can look forward to its continuation for the next 200 years.

Let me thank you for the genuine nature of these consultations. Too often the word consult is used in some kind of a diplomatic context, but these have been fruitful, real discussions where we could speak from the heart, one to the other. We are grateful.

Q. Mr. Reagan, in his offer to meet with Andropov, did not move away from the zero option. Are you trying to convince the European leaders that the zero option is a realistic immediate goal or is it merely a bargaining position?

A. I don't think I have to convince the European leaders that it is a realistic goal. Indeed, the alliance is together. We have also made statements welcoming realistic proposals to obtain that goal. That is open. The negotiations have started in Geneva. They are very serious. That is a point I want to make here.

Ambassador Nitze is there with the full confidence and support of the President. In a sense it is a reiteration of a

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commitment to a moral position ridding the world and, indeed, Europe of an entire generation of these intermediate nuclear weapons. That is a goal, and it is a common goal. As I move around, I sense unity on this point. At the same time, we have made clear a readiness to receive and talk seriously about proposals in Geneva.

Q. Why was the invitation to a summit under the terms of the President's letter made publicly rather than privately? Is that not something that has contributed to the impression that your visit is essentially as a public relations measure?

A. I suppose you could say my visiting with you people here is public relations. I am proud of the U.S. position. I'm proud of the unity of the alliance, and I think we ought to talk about it. I think we ought to make it public. I think we ought to emphasize the common things that join this alliance. Sometimes we take them for granted—freedom, free press, freedom to dissent. All of these things join the alliance, and I don't think that can be reiterated enough.

Along with this public side of the visit are consultations that will remain private. I for one don't believe that you can talk frankly if the other side feels one is going to go charging out and talking in the press about innermost feelings—on economic matters or on missile matters or whatever it is.

I think it is fair to say that the visit is a mix of public presentation of a position that we strongly believe in—and if the President's message yesterday in Germany was a reiteration of that, so much the better.

Chancellor Kohl put it pretty well, however, when he said it was holding out a hand to Mr. Andropov and holding out a hand of willingness to meet to do something worthwhile, ridding Europe, the world, of a generation of deadly weapons. We must never let that slip into the background. That is in the forefront. We have a sound moral position.

Q. In view of your proposal being turned down, how far are you prepared to modify it?

A. This is a matter that should be discussed in negotiations at Geneva. As I think I said in the beginning, I am not here to negotiate publicly or privately. I am here to reiterate the seriousness of



With Prime Minister Lubbers.

the United States in consultation with its allies to negotiate seriously. So it is very hard for me to spell out a quantitative answer to a very penetrating question. I just cannot help you on that.

Q. The peace movement here in the Netherlands said today that you refused to see their delegation and claim that is contrary to your pledge to come to Europe to listen.

A. I haven't heard such an allegation, but I tell you, if they took a look at my schedule, I think they would be bleeding for me. I think they would feel sorry for me, because I tell you, I have never had a more active schedule in my life. I was complaining to the Prime Minister I hadn't 3 minutes to wash my hands, and I'm a cleanly sort of a guy.

There is nothing in terms of unwillingness to meet with any private groups. We had to turn down other groups; in this instance, you tell me by the peace groups. Please let me clarify. Don't read in some unwillingness to talk, an unwillingness to listen. I take no offense when I see demonstrators. I can identify with people's desire to eliminate this scourge of nuclear concern. And that is what we think. I think we have a lot to talk to them about.

My problem is not what was suggested but just simply time. I am delighted the question was raised and I had this opportunity to say this. I am the guy in our Administration who meets with a wide variety of people, and I learn from that. I think I understand their heartbeat and I think our message to them should be a message of hope.

Q. Is a Soviet agreement to ban all medium-range nuclear missiles absolutely a condition for a summit meeting between President Reagan and Mr. Andropov? Or is it possible that there might be a summit meeting in which the two leaders might discuss other possible options of solving the nuclear missile question?

A. It is hard to say. You will recall that it was the President who invited General Secretary Brezhnev to meet with him at the United Nations in a get-acquainted meeting. That did not work out.

What we were doing, what the President was saying in his offer to meet, to sign an agreement, was trying to focus, refocus the attention and hold out his hand to Andropov on this subject

of enormous concern to Europe. But I don't think that would rule in or out a meeting with a different agenda.

Q. You said there is concern in Europe. There is concern here among ordinary people in the Netherlands. What do you think of those people who say: "We want to say no to new NATO nuclear arms because those are the only nuclear arms we can say no to"?

A. I would say don't despair. I wish I had my chart to show you what has happened in terms of the growth of this new, deadly generation of weapons. The U.S. and NATO line is zero, and I believe there are something like 1,200 SS-4, SS-5, and SS-20 warheads. I would say to them, don't settle for the *status quo*. Let's be not only more idealistic, but let's be more determined to reduce and eliminate this category of weapons. Join us in this move for peace. They shouldn't despair. The only argument that I have heard against a zero option is that the Soviet Union doesn't like it. The West has a moral position. We have a strong position and these people ought to be carrying a sign: "Let's eliminate this generation of weapons." Don't give up because Andropov says "nyet." Convince him of our attitude. And if there is a way to get there, let's discuss it seriously in Geneva. That is the message I bring.

Q. Will you be able to convince the Soviets?

A. We'll sure try, in conjunction with a solid alliance, because it is the right position. Sometimes it isn't that clear, I will readily concede. Sometimes the position of the United States isn't that clear, although I happen to be a strong defender of my country, obviously.

But this is clear: We ought not to move away from something that really does have a moral underpinning. I don't want to sound like Billy Graham standing here in this pulpit, but I feel very strongly about it. If we do nothing else, I want to get that message out. It is very important.

Q. What was your message to Prime Minister Lubbers about the possible deployment of cruise missiles?

A. You missed what I was saying. What I said to Mr. Lubbers in private

will remain private. That is the advantage of consultations. But I think it is fair to say that I reiterated the importance of the alliance staying together. In terms of the details of our conversation, I really—I'm not doing this just here, please understand, I did this in Germany; I will be doing it in Belgium. Let me say to the citizens of the Netherlands, he and his ministers laid it right out there on the line for me. They made me understand as fully as possible their positions and how we achieve ends. I just would ask that you permit me not to divulge that private conversation.

Q. Could I draw your attention for a moment to the one issue our government has previously stated to disagree on fundamentally with its biggest ally? That is your policy in Central America. Could you explain why the continuous stream of refugees seems to show that human rights are still being violated there? America has decided to take up arms deliveries to countries like Guatemala and El Salvador again.

A. We didn't have time to dwell on that; but yes, I would be glad to. You know in El Salvador, imperfect though it may be in terms of human rights, there are certain relative judgments. Eighty percent of the people went to the polls—not cajoled into going to the polls but voting in free elections that were deemed free by outside observers.

That is a far better case than, let's say Vietnam today, where we were. I remember demonstrations, maybe in this same square here, about the U.S. role in Vietnam. I don't want to sound like I'm lecturing about history, but I don't see any sights out there about Vietnam today. And what I am thinking is, there are no elections. In those days, there were 53 papers in Vietnam. Today there is one central organ. Vietnam has taken over Laos. They have taken over Kampuchea, and there are no human rights at all.

So I guess what I am saying is, we think we are embarked on a position in El Salvador—not to suggest that it is perfect, but, to say that support for an elected government with pressure to continue to improve in human rights is better than permitting a country to be taken over by externally financed forces with the possibility that you might end up with a situation devoid of all human

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rights. Not that it is perfect; improved, and much more room for improvement, of course.

Q. There are all kinds of negotiations. SALT negotiator Paul Warnke has stated that if you want to keep on holding to a zero option, you might as well have instead of Paul Nitze, a disk repeating zero option, zero option, zero option to Geneva. How far do you intend to do that?

A. Mr. Warnke is entitled to his views, and that is one of the beautiful things about the United States. Every time you come some place to answer a question, some guy comes up with what some former official said. Mr. Warnke's views were considered by the electorate along with a composite of things at election time, and they certainly aren't the views of the United States.

But I will answer them this way. When you have a sound moral position, it never hurts to say it over and over and over again. And let's hope that somebody over in the Kremlin is listening. Let's hope there is a debate going on over there, and they see a united alliance saying: "Here we want to get rid of an entire generation of intermediate nuclear weapons."

I bet you Warnke would agree with the end. Now if he is saying: "We cannot do this because Andropov doesn't like it," well, too bad. Let's keep trying. Then, also, let's be serious about those negotiations in Geneva and see if we cannot find a way there, a serious proposal, that will get us moving.

Q. Do you see any threat to alliance cohesion from what is referred to in the European press now as the Andropov peace initiatives? Do you see this as a new phenomena?

A. I don't want to be cynical. I really don't. But I am thinking to myself: Poland. I am thinking to myself: Afghanistan. I am thinking to myself: human rights, Jews, persecuted. I am thinking to myself: this is the man of peace? We are glad to hear it. I don't want to come here in some militant cast, but I am listening for some real action, something where there is a real chance for movement.

I suppose I could say, well, you know, it is good we are talking peace. But, there are so many ways to prove it. There are so many ways to meet us part of the way on the freedoms that join this

alliance together. I have to concede I am somewhat less than convinced. But Nitze is there today, the Soviet negotiators are there today. Let us try to filter out the propaganda and get serious in those negotiations.

Q. Considering that this is an alliance of democracy, is there anything [inaudible] in the United States that the Western European public will swallow the Andropov initiative and that this may cause a gradual sway or lean in public opinion away from NATO policy?

A. You could say there is a concern everywhere that something will be swallowed, but I have a fundamental conviction that what the alliance is based on is too clear. These values, the freedom that joins this alliance, those things are too fundamental for me to be overly worried. Yet, I do understand the heartbeat of these kids out here who are worried about nuclear weapons and that are worried about, afraid, scared of them. I bet you my own kids feel that way.

But how we get there, how we lower these levels of tensions is something different. I don't worry about the underlying fiber of the alliance. I want to see the alliance stay together. Our President wants to. I believe I speak in this instance for the Prime Minister; I am sure that the Dutch want to, the Germans want to, and the French. It is a problem, you might say, but it is not. Because if it gets down to the crunch, I believe the alliance will be strong, because it is united by something much more fundamental than those pressures that perhaps would be inclined to divide it.

Q. After your discussions in Germany and here in Holland, did you on any point change your opinion? And, if yes, on what point?

A. I think I would say I have a clearer understanding of the feelings of the cross-currents that exist in the public in the various countries, in Germany and here as well. But in terms of my changing my view or the leaders with whom I met changing their views in terms of the alliance staying together and staying firm, I see no shift in that at all.

I guess what I learn from these kinds of consultations is to be more

understanding of the problems and the pressures on the governments with whom I am meeting. And I think that is a good thing for the United States. That is the finest sense of consultation, and I will take back any specific ideas that I get, that come out of this—and there will be some—to discuss again. Not in public, but with our President, to see how we can best be a catalyst ourselves to achieve the ultimate end that everybody wants.

Q. How many cruise missiles did you sell today to our government?

A. The allies' position remains the same.

Q. Did you talk about reducing the number of 48 missiles?

A. We talked about an elimination of an entire generation of weapons. We talked about a sound, moral position that would free all of Europe, indeed all of the world, of an entire generation of weapons.

There are 1,200 SS-4, SS-5, SS-30 Soviet intermediate nuclear force weapons stationed, aimed at Europe. There are zero INF allied weapons. We talked in great detail about the need to rid the entire continent from that generation of weapons.

Q. Is there a possibility that trade unions can help in this way, in disarming?

A. I can only speak for the United States. Our Administration had had differences with labor on certain categories, certain subjects, but I'll tell you something. In our country—and, again, the Netherlands speaks for the Netherlands—the trade unionists, Lane Kirkland and others, have been very realistic and very strong in their support for the kinds of initiatives that we have talked about here today. Yes, negotiation but strong in their recognition that we must not accept at face value—in this case, Soviet propaganda—and that we have got to stay with a strong, sound proposal. Try to get there as best we can.

Q. Did the present situation in the former Dutch colony of Suriname have any place in your discussions? Did you talk about that?

A. We did not have a chance to. I think I mentioned it casually. I don't believe we had the chance to go into it, as we feel very strongly about it. You

know, I must say, when we talk about human rights here in the questions asked, I understand about El Salvador and Guatemala.

But I didn't hear a word about Suriname. What has happened there, in terms of the brutal elimination of people without trial, without anything, the total violation in the most fundamental sense of a man's right to be alive, really deserves the focus of people who share our values. We just didn't have an opportunity to go into it in detail.

Q. You cannot exclude the possibility that in Geneva there will come out some agreement at a much lower level of missiles on both sides. For example, not 572, but 50 or 100. Do you think that in that case the missiles in the Western countries must be based in the same countries as are intended now when there are 572?

A. That would be a matter of negotiation. Any details of negotiation, any details of how you get to achieve an objective that would result from negotiations in Geneva, should be decided there, and, of course, should be decided in the NATO councils, not by a unilateral statement from me.

Q. Don't you see it as a necessity that they will be in the same countries as intended?

A. I would simply say that these matters must be determined, as other NATO decisions have been by NATO and by the negotiators, not by a traveling Vice President.

Q. You are an experienced politician. Would you agree that Germany is the lynch-pin to this agreement, and possibly there can be no progress in the Geneva disarmament talks until after the March 6 elections?

A. I would agree that Germany is very, very important. I take your point on March 6, but I would not like to suggest that there would be any reluctance to seriously negotiate prior to March 6. Holding back for one reason or another just would not work that way in terms of our negotiators and their stance.

Q. Do you have any comments on Mr. Andropov's rejection of President Reagan's plan? Can you tell us if there will be any new initiatives in the light of this rejection?

A. I think the real initiative for peace will and should be at the negotiating table in Geneva. We have said we would receive any new proposals that are serious. We, I think in conjunction with our allies although welcoming any talk about peace, have seen shortcomings in the proposals that have been made.

As you point out properly, Mr. Andropov has rejected going to sign an agreement: to do what we think is right, to eliminate all of these weapons, banish them from the face of the Earth. But that should not be interpreted as anything other than let's go to Geneva. Let's talk seriously. Let's keep this alliance together as it is.

I say us, I mean it is a matter of partners, suggesting something to others, equal, in mutual respect and hope that we can be successful in the negotiations at Geneva. That is our message and really that is the heartbeat of this President.

One of the things that I am not sure people understand is that there is a conviction on our part that negotiations should take place and should be successful. If I do nothing else, it gets this question of the public part of this visit as well as the consultations. If I do nothing else, I would like to convince the people of Europe of the President's sincerity. I realize I have to do some convincing. I happen to know that I am telling the truth. My office is right next to the President.

I see him alone, I talk to him all the time. I know how strongly he feels about this, and I want to get that message across to people—that we are very, very serious—in consultation with our allies, in concert with our allies, an elimination, if you will, of this generation of weapons. I want to end where I began: it is a moral, sensible position, and we have got to fight hard to make the other side understand this.

Brussels

Arrival Statement, February 2, 1983

Let me just say that I feel very welcome here, the home of our alliance. I've looked forward very eagerly to this visit, especially to my talks with His Majesty, the King; and with you Mr. Prime Minister—having had such a nice visit with you when you came to see our President not so long ago—with Foreign Minister Tindemans; with Secretary General Luns, whom I've met on several occasions; and certainly also to my talks with President Thorn.

This is going to be a very busy and for us a very exciting visit. President Reagan asked me to make this trip in the best spirit of the NATO alliance. I came to listen, to consult earnestly, and to work closely with our friends. That approach has stood us in good stead in the past, because when we make decisions we make them together. Unity has always been and always will be the foundation of NATO.

It was here 3 years ago that we and our allies made a critical decision to restore the balance that the Soviet Union had upset by reserving unto itself a dangerous monopoly of intermediate-range, land-based nuclear weapons. We made this decision together after exhaustive consultations, knowing that only a united and determined NATO would bring the Soviet Union to the nuclear bargaining table.

If our unity and our resolve persuaded the Soviets to negotiate in the first place, to lessen our resolve now would only convince Moscow that we are not serious allies and that they need not negotiate in good faith.

NATO's best leverage at the table in Geneva is our absolute determination to act as one in protecting ourselves from this chilling Soviet nuclear threat.

We are trying to eliminate an entire class, an entire generation of nuclear weapons. It is a formidable goal, but we must not give up on this moral goal.

Over the past four decades we've proven what we can accomplish together. I can think of no better way to express it than by quoting NATO Secretary General Luns, who said that NATO is the real peace movement.

FEATURE Vice President in Europe

I'm grateful to be here. I look forward to exchanging views with you and others, and thank you very much for this warm reception.

Statement, February 3, 1983

One sign of the richness of American relations with Belgium is that we do have these three Ambassadors here and our links are based on our common values, and they include strong economic and security dimensions.

On both those fronts we had extraordinarily productive meetings today at NATO and with the European Community (EC), and, indeed, bilaterally with the Government of Belgium. The United States and Belgium, international organizations like NATO and the EC, do face today very severe challenges. The worldwide recession has afflicted all of us, and the relentless Soviet buildup of military power forces us—compels us—to look to our common defense.

But in all my meetings there has been a spirit of confidence. It has prevailed. That confidence is based on a sense of unity and common purpose. The United States and Belgium, the European Community and NATO are all working toward the same goal of a secure and prosperous peace.

We all know that we have the material and human resources to overcome our problems and that we will support each other in the process. That came through loud and clear today—an alliance together, people with common purposes working together to solve difficult problems.

In NATO we are working together to meet the Soviet challenge, to maintain our security, both through prudent defense expenditures and also that other track—diligent effort at arms negotiations. That's our message.

The United States in its relations with the European Community will work to maintain the freest possible trade and to reach compromise where we have difficulties. We have had difficulties, but we can talk about it openly and, hopefully, try to resolve them in the appropriate forums.



With Prime Minister Martens.

As we showed last year in resolving the steel and pipeline issues, we can reach agreements which serve our joint interests. Right now, Dr. Feldstein, who is the chairman of the President's Council of Economic Advisers, is visiting with some of the top officials at the EC discussing the common economic problems and the common economic goals.

I leave tomorrow for Geneva where I'll be meeting with both the American and the Soviet representatives in two very important arms negotiations—the START talks—strategic arms reductions talks—and the intermediate-range nuclear force reduction talks—the INF. I will emphasize in all my meetings the President's determination to reduce to the lowest possible level all nuclear weapons and, in particular, to eliminate the entire class of land-based nuclear weapons and intermediate-range.

With the strong support of our alliance, and with the willingness to talk with the Soviet Union, we have an excellent chance of taking giant steps for peace in these negotiations. We in this alliance have a moral position, a strong, sensible, sound position, eliminating an entire generation of new weapons—INF—from the face of the Earth. For too long the Soviet Union has been challenging us to an arms race, and so I think, in essence, what we are doing, we're challenging them to a peace race.

This visit reinforces the unity of the alliance, the importance of this alliance, and I just can't tell you what it has meant for me to have this opportunity.

Geneva

Remarks to U.N. Committee on Disarmament, February 4, 1983

No city has done more than Geneva to advance man's oldest, yet seemingly most elusive, dream—to live at peace with his neighbors. This is the city of Rousseau, who taught us that man is born both free and good, a concept that has had the most profound effect upon my country and many others as well. It was near here that Voltaire made his home when his incisive, but often irreverent, mind brought down upon him the displeasure of his king. After the calamity of the First World War, the League of Nations was established and housed in this very building, in the hope that here in the free city of Geneva this embodiment of man's best intentions might prosper.

Today, the world's hopes for peace are once again focused on this city. Two vital bilateral negotiations are underway here with a single aim: to make significant reductions in the nuclear arsenals of the United States and the Soviet Union and thereby to strengthen international stability and to increase the security of all states. And, in this committee, multilateral efforts are in train to deal with other urgent arms control issues: how to eliminate chemical weapons from the world's arsenals; how to effectively verify limitations on nuclear testing; how to approach the question of possible further arms control measures affecting outer space.

My message to you is simple and unequivocal: The United States will do all that it can to create a foundation for enduring world peace through arms control and through agreements that enhance international security and stability. This task is the President's highest priority, and he has asked me to tell you that we will pursue sound and workable arms control initiatives with the utmost determination. But we will not hesitate, nor should we, to differ with approaches which are not sound or do not hold out the prospect of effective, verifiable agreements.

What are the prospects for progress here in Geneva? I would like to set forth the views of the United States on the

status of our efforts—both bilateral and multilateral—to advance the cause of peace by reaching agreement on effective arms control measures.

President Reagan assumed office at a time of increasing concern among the American people over the behavior of the Soviet Union and its allies. In its foreign policy, as well as in the relentless buildup of its military forces, the Soviet Union has appeared determined to advance its own interests at the expense of everyone else's. This determination was reflected in the invasion of Afghanistan, in the suppression of human rights in Poland, in the use of chemical and toxin weapons in Southeast Asia and Afghanistan in violation of customary international law and existing international conventions, and in the steady accumulation of vast amounts of modern weaponry far beyond any reasonable requirements for defense.

Clearly, this behavior required a revitalization of our own defenses, which in many measures of military power had been outstripped. The United States has undertaken this effort not with a view toward conquest or intimidation but rather to maintain our ability to deter aggression and thus to defend our vital interests and those of our friends and allies against threat or coercion. I know that President Reagan would much prefer to spend our resources on other pursuits. But we will do—we must do—what is necessary to defend our interests and preserve the peace.

Principles Guiding U.S. Arms Control Efforts

But providing the means of defense is only one aspect of insuring one's security. The Reagan Administration believes that arms control measures can be a vital part of our national security and that equitable and effective verifiable arms control agreements can increase that security. One of the first actions taken by President Reagan was to launch the most thorough review of our arms control policy ever undertaken by any new Administration. A new approach to arms control was necessary to deal with the changed situation in which the United States found itself as a result of Soviet actions over a decade. Arms control had not become less important. Indeed, effective arms control had, if

anything, become more important, since the military balance, at all levels, had become more unstable.

President Reagan announced the general principles which guide our arms control efforts in a statement on November 18, 1981. They are worth repeating here.

First, the United States seeks to reduce substantially the number and destructive potential of nuclear weapons, not just to freeze them at high levels as has been the case in previous agreements.

Second, we seek agreements that will lead to mutual reductions to equal levels in both sides' forces. An unequal agreement, like an unequal balance of forces, can only encourage aggression.

Third, we seek agreements that will enhance the security of the United States and its allies and that will reduce the risk of war. Arms control is not an end in itself but a vital means toward insuring peace and international stability.

Fourth, we will carefully design the provisions of arms control agreements and insist on measures to insure that all parties comply. In other words, we will insist that agreements must be verifiable. Otherwise, the parties cannot have confidence that all are abiding by the provisions of an agreement. This is particularly important in the nuclear area, where we have proposed deep cuts in the U.S. and Soviet arsenals. It is also vital to our efforts in this committee to ban chemical weapons and to develop effective limitations on nuclear testing.

Based on these objectives, my government since then has advanced a dynamic program of arms control initiatives: in our bilateral negotiations with the Soviet Union, in the work of this committee, and—together with our allies—in the negotiations at Vienna on mutual and balanced force reductions in Europe. Let me now deal with those which are of particular interest to the members of this committee.

U.S. Proposals

The problem of achieving reductions in the world's nuclear arsenals is our most important challenge. The United States has met this challenge by developing what President Reagan has called the most comprehensive program of nuclear

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arms control ever proposed by my country. These proposals are on the negotiating table here in Geneva—in the intermediate-range nuclear forces, or INF, negotiations and in the START talks on reducing strategic nuclear forces.

The point I want to stress here is that the U.S. proposals in the START negotiations entail deep and significant cuts in U.S. and Soviet nuclear arsenals—a 50% cut in our strategic ballistic missiles. In the INF negotiations, we have proposed the elimination of an entire class of weapons. The proposals do so in a way which is balanced and which reduces the risk of war. This is, after all, what these negotiations are all about. Stability and security could be greatly enhanced if both sides thus reduced their arsenals, and it is precisely because of this that we are proposing such major reductions.

In the INF negotiations, there is now on the table a far-reaching U.S. proposal which would, at a stroke, ban an entire class of U.S. and Soviet longer range INF missiles, the systems of greatest concern to both sides. The Soviet Union now has over 600 such missiles with some 1,200 warheads, while the United States has none—zero. Under our proposal, the Soviet Union would be required to eliminate all of its ground-launched missiles of this type. These missiles—of the type referred to in the West as SS-4, SS-5, and SS-20—are in place now. The United States would be required to forgo the deployment of its roughly comparable missiles. As you know, they are scheduled to be deployed in Europe beginning this year under the decision taken by the NATO alliance.

The United States believes that any such agreement on nuclear forces must be effective and balanced; it must genuinely reduce the nuclear threat to both sides; it must enhance stability; and it must lessen the risk of conflict. Our proposal meets these criteria. Indeed, it strikes to the very heart of the problem.

Thus far, the proposals advanced in these negotiations by the Soviet Union have been designed to leave it with significant advantages, indeed, with a monopoly over the United States in longer range INF missiles. Indeed, the ideas recently advanced by General Secretary Andropov continue to have this as their aim. We will, of course,

continue to give the most serious consideration to any constructive Soviet proposal. Ours is not a take-it-or-leave-it proposition. However, we think the Soviet Union must recognize our legitimate security concerns in these talks.

We think ours is a moral—a moral—position. What is wrong with eliminating from the face of the Earth an entire class of new, deadly missiles? The only argument I have heard as to why we cannot eliminate this whole generation of INF missiles is that the Soviet Union opposes it; it simply says, "We're against it." I simply don't believe, in this awesome nuclear age, that that's good enough. So our challenge to the



Soviet leadership is: Come up with a plan to banish these INF missiles, and let's consider openly and in frank dialogue initiatives that will achieve that moral goal.

As in the case of the negotiations on intermediate-range missiles, we are emphasizing in the START negotiations real and significant reductions in the levels of strategic armaments on both sides, down to equal ceilings. As President Reagan has pointed out, our proposals in these negotiations would eliminate some 4,700 warheads and 2,250 missiles from the combined nuclear arsenals of the United States and the Soviet Union.

We have been encouraged by the fact that the Soviet Union is negotiating seriously—we have said that publicly, and I am very pleased to repeat it again today—and has accepted the concept of reduction, although we do not find the proposal it has tabled sufficient. It fails to focus on the more destabilizing elements of strategic forces, ballistic missiles, and particularly ICBMs, and it does not go far enough in making the kind of deep reductions in ballistic missile forces that we believe to be necessary. However, we believe that the approaches provide a basis for negotiation, and we intend to explore avenues for achieving such reductions and to pursue the negotiations seriously and constructively. Indeed, our President, upon hearing of a proposal by Mr. Andropov, recognized this seriousness of purpose. And I think this was appropriate, and people should understand that.

I will be meeting during my visit here in Geneva with the U.S. and Soviet delegations to both these critical negotiations. My purpose in doing so is to emphasize the great importance which the United States—and President Reagan personally—attaches to a successful outcome in both of them. I will pass on to our negotiators the President's hope that they will press forward with speed and energy and his wishes that their efforts will meet with success. I know that all of you deeply share this hope.

I will also, as I have in other stops on this trip of mine, make clear that I am not a negotiator. The negotiators are here in Geneva, seriously talking with their Soviet counterparts now.

Banning Chemical Weapons

Let me now turn to the work directly before this committee, to which we also attach the highest importance. The committee is confronted with numerous important issues. None has a higher priority for the United States than the efforts to ban forever an entire and different class of weapons from the world's arsenals. As President Reagan has stated, the goal of U.S. policy is to eliminate the threat of chemical warfare by achieving a complete and verifiable ban on chemical weapons.

The nations of the world have already prohibited the first use of chemical and biological weapons in the

Geneva protocol of 1925 and have outlawed the possession of biological and toxin weapons in the 1972 biological and toxin weapons convention. Like most other nations at this table, the United States is a party to these treaties; and, like most others, we are in full compliance with their provisions. Beyond the provisions of these treaties, there is an even broader moral prohibition against the use of these weapons. President Franklin Roosevelt perhaps expressed it best when he said that their use "has been outlawed by the general opinion of civilized mankind."

All forms of warfare are terrible. But these weapons are particularly to be feared, because of the human suffering they can inflict. This is why the civilized world has condemned their use. Sadly, mankind has, nonetheless, had repeated demonstrations of the cruelty and horror wrought by the use of these weapons. And now, chemical and toxin weapons are being used in Afghanistan and Southeast Asia in violation of international law and international arms control agreements. These violations are made all the worse by the fact that their victims have neither the means to deter the attacks against them nor to defend or protect themselves against these weapons.

The United States presented conclusive evidence to the world community of the facts surrounding the use of chemical and toxin weapons. Others have presented evidence as well. We did not come to our conclusions seeking confrontation or rashly, but only after the most exhaustive study. The implications that flow from the use of these weapons are so serious that many would prefer to disbelieve or simply to ignore them. But we have to face the facts.

The world's progress toward more civilized relations among states has been doggedly slow and beset at every turn by fears, ambitions, and rivalries among the nations. We cannot, therefore, allow the progress which we have made to be destroyed. To do so would be to begin a relentless slide back to a new dark age of mindless barbarism. This is what is at stake, and this is what we must prevent.

So what must now be done? The United States has already called upon the Soviet Union and its allies to stop immediately their illegal use of these weapons. I repeat that call here today. And I urge the Soviet Union and all

other members of the committee to join the United States in negotiating a complete and effective and verifiable ban on the development, production, stockpiling, and transfer of chemical weapons, a ban that will insure that these horrors can never occur again.

A complete, effective, and verifiable ban on chemical weapons is long overdue. My government, therefore, would like to see the work of this committee accelerated and negotiations undertaken on a treaty to eliminate the threat posed by chemical weapons.

A number of key issues, of course, must be resolved if we are to be successful in negotiating such a treaty. In the coming days, the U.S. delegation will present to this committee a new document containing our detailed views on the content of a convention we believe could effectively—more specifically, verifiably—eliminate the chemical weapons threat. We undertake this initiative with the aim of further advancing the work of the committee and to encourage contributions and cooperation from others as well.

The key to an effective convention—one that could eliminate the possibility of chemical warfare forever—is the firm assurance of compliance through effective verification. This principle is fundamental. Effective verification, as the world's recent experience with the use of chemical and toxin weapons shows, is an absolute necessity for any future agreement. This is why the United States seeks a level of verification that will protect civilization, ourselves, our allies, and, indeed, humanity itself. For today, the threat of chemical warfare has increased. And until an effective agreement can be achieved, the United States, just as others, must continue to insure that it can deter the use of chemical weapons against its citizens and friends. If we are to expect nations ever to forgo the ability to deter chemical warfare, those nations must have confidence that others who accept the prohibition cannot circumvent their obligations and later threaten the peace with chemical weapons. They must be certain that they will not be attacked with such weapons by any state which, like they have, has foresworn chemical warfare. In short, for us, the verification and compliance provisions of a comprehensive chemical weapons treaty must be truly effective.

We know that most of the members of this committee, like we, are dedicated to accomplishing this important task. To do so will require more than our dedication; it will require greater willingness and flexibility on the part of the Soviet Union and its allies to work seriously and constructively on resolving the key outstanding issues—especially pertaining to the verification and compliance side. And such issues must be resolved if we are to expect to make genuine progress. For although some may argue that progress could be made by concentrating on the "easier" issues, or even by drafting treaty texts on them, this would be a fruitless exercise if the verification issue cannot be resolved. We will not support such a diversion of effort here.

I urge all members of this committee to begin negotiations in this session to resolve the key issues that face us in this area and to join with us in achieving a complete and verifiable ban on chemical weapons.

Eliminating the Threat of Nuclear War

The committee is also faced with a number of nuclear arms control issues. The elimination of the threat of nuclear war is clearly of paramount importance to all of us, and the United States fully accepts its special responsibilities in this area. We are recognizing this responsibility in the most effective way we know—here in Geneva, in good faith, across the negotiating table from the Soviet Union.

At the same time, this committee has its role to play in the area of nuclear arms control. One of the major issues before it is that of a comprehensive ban on nuclear tests. Such a ban remains a long-term goal of U.S. policy, and we will continue to work toward its achievement. The work already done in the committee by the group of scientific experts on developing a worldwide system for monitoring of nuclear explosions has been valuable. Moreover, at the suggestion of the United States, this committee formed a working group last year to study issues of verification and compliance surrounding a nuclear test ban. Verification is one area, in particular, in which the United States believes greater progress must be made if we are to make progress toward a ban on nuclear

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tests. Therefore, we would hope that the committee will continue its work in this area this year.

My government believes that the negotiations in this body on a convention to ban radiological weapons offer the prospect of a modest but real, genuine step forward, a step that could eliminate a potentially very dangerous type of weapon. We should take it as a cardinal rule of this committee that when there is the prospect for real progress toward an agreement, we should pursue it to its conclusion. While there are a number of issues yet to be resolved, we believe that an agreement is within the committee's grasp and that we should move ahead with all due speed to conclude the negotiations on this treaty.

I should also like to say a word about further arms control measures affecting outer space. The United States has been the leader in the peaceful exploration and use of outer space. We intend to continue this leadership. Some of these activities in outer space are important to our national security and that of our allies. They help to monitor the peace, to warn of the threat of war, to insure proper command and control of our armed forces worldwide, to preserve our deterrent capability, and to assist in the verification of arms control agreements. The Limited Test Ban Treaty, the 1967 Outer Space Treaty, the Environmental Modification Convention, and the Antiballistic Missile Treaty, which is one of the SALT I [Strategic Arms Limitation Talks] agreements, all have important arms control provisions affecting outer space. Some are now asking whether additional measures might be called for and, if so, what kind? The United States does not have a simple answer to this question, and we are continuing to study this issue. Clearly, the conditions do not exist which would make negotiations appropriate. We are, however, prepared to exchange views with other members of this committee, and believe the committee should address the matter in a more systematic way than it has in the past.

Conclusion

Finally, I would like to use this occasion to pay tribute to one among us here today whose tireless efforts over a lifetime of service were recently recognized when he was awarded the Nobel Peace

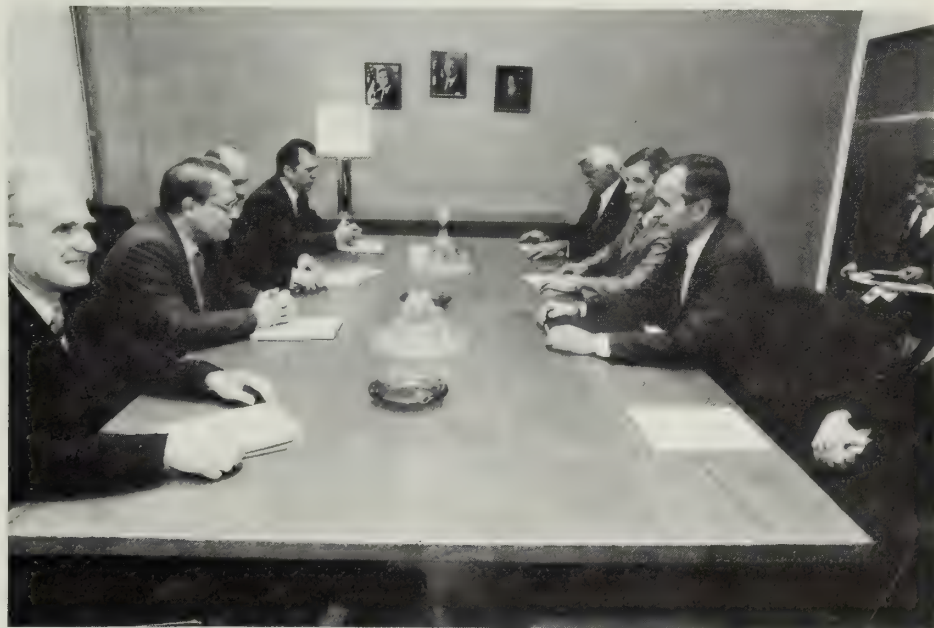
Prize. Ambassador Garcia Robles' [Alfonso Garcia Robles, Mexican Ambassador to the Committee on Disarmament (CD) and chairman of the CD *ad hoc* Working Group on the Comprehensive Program of Disarmament] accomplishments are far too numerous for me to mention, but let me just say that I assure you, sir, of the full cooperation of the U.S. delegation in efforts to finish work on a realistic comprehensive program of disarmament.

There is, in closing, one thought which I would like to leave with this committee, a thought which underlies our approach to arms control and to the issues before this committee. And that is that the achievement of effective arms control agreements is difficult work. It requires dedication, persistence, tolerance, a respect for the views of others, and, above all, a faith that conflict can be prevented and that solutions, no matter how difficult, can be found. The most dangerous view for mankind, particularly in this nuclear age, is that war is inevitable. I reject this view entirely, because such a belief merely increases the inclination to make it a self-fulfilling

prophecy. Let us rededicate ourselves in this committee, and in every other available forum, to the hard and serious work which is absolutely essential to prevent war.

Remarks After Meeting With U.S. and Soviet INF and START Delegations, February 4, 1983

Let me just say briefly that we have had very thorough discussions with both General Rowny's counterparts and Ambassador Nitze's counterparts. I had an opportunity to say to the Soviet delegations that we are very serious about arms reduction. I asked them to take the message back to the leadership in Moscow that we are, on INF, deadly serious about reaching an agreement, that we feel our fundamental position is moral and sound—the idea of ridding the world of a generation of deadly intermediate weapons is something that our President feels very strongly about.



With the INF negotiators. Soviet side (left to right): Gen. Detinov, deputy head of the delegation; Ambassador Yuli Kvitsinskiy, head of the delegation; Mr. Palashehenko, interpreter; and Col. Lebedev. U.S. side (left to right): Adm. Daniel Murphy, Chief of Staff to the Vice President; Dimitri Arensbarger, interpreter; Vice President Bush; and (partially hidden) Ambassador Paul H. Nitze, head of the U.S. delegation.

And they had an opportunity to explain their position.

On the strategic arms reductions, again we had an opportunity to emphasize the points that Ambassador Rowny has made so clearly and with which our President is obviously totally in accord, namely the need to address ourselves to the most destabilizing systems. We discussed about confidence-building measures, areas where certainly we ought to be able to find agreement with the Soviets—the world is crying out for some agreement to lower the levels of danger. And confidence-building is something that we feel strongly about. The Soviets replied that they did, and so hopefully we can make progress here.

But I think they came in a spirit of open exchange. We are grateful for that. We feel that the talks were frank,

and not just in the old diplomatic sense, very frank. I think from our standpoint, I think I speak for those who attended the meeting, we feel it was extraordinarily worthwhile. And if we make no other point while I'm here in Geneva—where many discussions are held on disarmament, on peace, where we had an opportunity this morning to present our views to the committee on disarmament—it is that the United States is committed, firmly committed, to arms reductions. It is a priority of our President. And we think in all three forums we have made proposals that merit serious consideration. We come in an open spirit of negotiation to the tables of INF and START. We are ably represented here, and on the Committee on Disarmament in the same way. So I think it's been a good day in terms of projecting our interest in peace.



With the SALT negotiators. Soviet side (left to right): A.A. Obukhov; Ambassador Viktor Karpov, head of the delegation; and K.G. Osadchiyev. U.S. side (left to right: Adm. Daniel Murphy, Chief of Staff to the Vice President; Cyril Muromcew, interpreter; Vice President Bush; and Ambassador Edward L. Rowny, head of the U.S. delegation.

Rome

Statement at U.S. Embassy, February 7, 1983

I just wanted to thank our hosts for making our visit one of great warmth and genuine friendship. I have had the pleasure to meet and hold very productive talks with President Pertini, Prime Minister Fanfani, Foreign Minister Colombo, and other leaders.

We had the great honor of being received by His Holiness Pope John Paul II—a man we all love and greatly admire. His great moral and religious convictions, his untiring efforts on behalf of the poor throughout the world, and his efforts to advance peace and human rights serve as an inspiration to us all.

Let me first say that we in the United States share Italy's commitment to combat terrorism. We applaud the great work Italy has had in confronting this evil. We remain deeply thankful for the memorable work of the Italian Government in the liberation of General Dozier who finally met, under more pleasant circumstances, with the 14 men who took part in the rescue operation that freed him.

Italy is the fifth nation that I have visited on this seven-country European trip. Tomorrow we leave for Paris, and we leave on a note of optimism. The alliance is alive, well, strong, and united. While we are sovereign, independent nations, we hold vitally important common beliefs. We recognize that our strength lies in our unity, and we know that our future is tied to the protection of our great freedoms and democratic institutions.

Because of its strength and unity, the NATO alliance has preserved the peace in Europe for nearly 40 years—the longest period of peace on this continent for nearly 100 years.

We know that the price of peace does not come cheap. It is, however, a price we have all been willing to pay in order to preserve our liberties, build our economies, and raise our living standards to the highest in the history of the world.

Today there is a new threat to the Western democracies—a threat based on an unprecedented 15-year Soviet military buildup. This one-sided Soviet

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buildup seriously threatens the balance between East and West. Peace in Europe is anchored by military balance, not imbalance. The leaders of the Italian Government and of the other European governments I have met with in the last week believe that we should hold fast to a policy that will insure the peace for this and future generations.

More than 3 years ago, the NATO alliance determined, after exhaustive consultation, that the Soviet Union's relentless and unprovoked buildup of intermediate-range nuclear missiles had put Western Europe's security in severe jeopardy. Unanimously, we decided we must restore the balance that the Soviet Union upset. That decision was a courageous one, and it was the right one.

President Reagan and the NATO leaders have asked the Soviet leadership to act boldly and responsibly by banishing once and forever from the face of the Earth the land-based intermediate-range nuclear missiles it has aimed at the heart of Europe, in return for the cancellation of the missiles NATO will begin to deploy this year. Simply stated, we are asking Mr. Andropov to take a giant step for peace.

The NATO position is a moral position. If the Soviet Union doesn't like President Reagan's zero-zero proposal, then why can't they put forward their own proposal designed to achieve the same goal? Our people are waiting for deeds and actions; they are waiting for a Soviet proposal that will ban forever this new class of nuclear weapons.

So far, all we've heard is a barrage of threats and "nyets." We have seen a public offensive of words designed to weaken the alliance, to decouple Western nation from Western nation, to weaken us, and to diminish our democracies and our liberties. No one nation can convince Mr. Andropov alone. If we succeed, we will succeed as we have in the past—together, as an alliance. Italy is a vital part of that alliance. It is a great friend and equal partner and a prime guarantor of peace, freedom, and justice in Europe and the entire Mediterranean area. We are deeply thankful for the support of the people and of its leaders.



With Prime Minister Fanfani.

Finally, I will be meeting later this afternoon with Ambassador Habib [special representative of the President to the Middle East] to discuss the situation in Lebanon—an area of concern for both the Governments of Italy and the United States.

Toast, February 7, 1983³

This is my first visit to Italy as Vice President. I've been very busy since I arrived in Europe 8 days ago, but yesterday Barbara and I had a little time off. We were so glad that occasion should have come while we were here in this magnificent city.

May I say, Mr. Prime Minister, how much our visit here has meant to us? As I said 2 days ago when I arrived, relations between the United States and Italy have never been better than they are today. Our talk, as well as my talks with President Pertini and other members of Italy's leadership, have shown me personally how deep our commitment to each other runs; how deeply our friendship and our partnership are rooted. But I was not surprised to discover this. It's simply that it was for me a great pleasure to experience it personally. For

that, you and all the other leaders I met with have my thanks.

Our friendship and common understanding are all the more reassuring in the face of the challenges we now face. Certainly, we have found many in the past. For nearly four decades, Italy, the United States, and our other NATO partners have worked hard for peace. And we've been successful—very successful. Together we've brought about the longest uninterrupted period of peace this continent has known this century.

What decisions we have made, we have made together. Three years ago, we decided to protect ourselves against the profoundly disturbing and utterly unprovoked Soviet buildup of a new class of nuclear weapons which are aimed at the heart of Europe. We decided to put in place arms we fervently hope we shall never have to use in order to insure that the Soviet Union will not use its arms against us. We also decided at that time vigorously to pursue arms reductions. Since then President Reagan has proposed to banish once and for all the entire class of these nuclear weapons from the face of the Earth.

The Soviet Union has, unfortunately, rejected that proposal. Three days ago in Geneva, I told members of the Soviet

delegation to the arms talks that ours is not a take-it-or-leave-it proposition, that President Reagan is deeply committed to arms reductions and determined to bring about progress at the negotiating table. I also told them this: If you won't accept our plan, then let's hear yours. Up to now all we have heard from Moscow is a steady succession of "nyets." It is time we heard something else, and all the world is waiting to hear it.

Meanwhile, the support of Italy and our NATO allies is crucial if we are to succeed in reaching the agreements we all want. With that support, great things are possible. "Freedom," said Garibaldi, "will not fail those who desire it."

Mr. Prime Minister, 1983 could be a historical year for Italy, for the United States, and for all of free Europe. This could be the year free peoples of the future will look back on and say, that was the year the alliance stood together to insure peace and security for our generation. That was the year freedom did not fail those who desired it—for us.

In that spirit, I lift my glass to you, our generous host, to the friendship of our people, and to the heritage we share and will defend together.



With Pope John Paul II.

Paris

Arrival Statement, February 8, 1983

I'm very glad to be back in France. My first visit here as Vice President was 2 years ago, in 1981, just following the election of President Mitterrand. I'm anxious to renew our friendship. I also look forward tremendously to my meetings with Prime Minister Mauroy, Foreign Minister Cheysson, and other members of France's leadership.

President Reagan asked me to extend personally his greetings to all the French people. I take great pleasure in doing that, as well as adding my own.

Our friendship goes back a long way. In 1981 President Mitterrand came to the United States to help celebrate an important, 200-year-old victory we shared. France and the United States have won other victories together since then. Today France, the United States, our NATO allies, and the rest of the free world face a great challenge by the Soviet Union, which has aimed a devastating and destabilizing part of its arsenal at the heart of Western Europe—at the soil on which we're standing right now.

But I haven't come to sound the alarm. President Mitterrand has made France's position eloquently and forcefully clear: to stand with its allies in our determination to confront this threat to the peace we have all worked so hard to preserve.

At the same time, President Reagan is absolutely committed to the arms reduction process. At his request I was in Geneva last Friday for talks with the Soviet arms negotiators. At that session, I reiterated the President's proposal that the Soviet Union join with NATO in banishing once and for all this new class of intermediate-range nuclear weapons. Once again, they refused. But I told them, too, that our proposal is not a take-it-or-leave-it proposition. I said if you don't like our plan, let's hear yours.

Until we do hear from Moscow that it will work with us, and not against us, France, the United States, and our NATO allies are resolved that we will

not stand still while our security is jeopardized. In the words of a formidable French statesman, "It all comes back to this—to win or to lose. To stand still is to begin to lose."

We've got a busy and exciting day in front of us, so let me just say, thank you very much, and *allons nous*.

Statement, February 8, 1983

First, I want to thank our Ambassador [Evan G. Galbraith] and his charming wife for their hospitality. I want to thank our French hosts for their warmth and hospitality that they have already shown to me and to all the rest of us. It's a great pleasure to be back here in Paris, to be with friends.

I came to France to consult with one of the oldest and greatest allies that the United States has regarding the major issues now facing the Western alliance. I was accorded a great deal of time and a personal meeting with President Mitterrand. We are very grateful for that. I had good meetings with Foreign Minister Cheysson, other high government officials, and these meetings—all of them—strongly reinforce what I found in the five previous nations that I have visited on this trip.

The Western alliance is dedicated to and united in its efforts to preserve the peace in Europe by maintaining the balance of power between East and West. We are also unified in our efforts to revitalize our economies, reduce unemployment and inflation, and improve the standard of living not only in our own countries but throughout the world.

With me on this trip is Dr. Martin Feldstein, chairman of the President's Council of Economic Advisers. Mr. Feldstein has been of enormous assistance in conveying to our allies that the United States expects to show real economic growth in 1983, which we hope will provide a backdrop for growth in the Western European countries and, indeed, in the Third World.

The United States is determined to achieve an economic recovery with a low rate of inflation, so that recovery on both sides of the Atlantic can be sustained. In addition, we can't emphasize enough that the Reagan Administration is committed to resist protectionist measures. I know there are excep-

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tions—we have exceptions; others have exceptions. But our basic policy is to resist protectionism. Indeed, we believe that free trade is necessary, not only for our own recovery but recovery throughout the world. We share the deep concern of President Mitterrand and other leaders of his government who are deeply concerned by the Soviet threat—a threat which has resulted from a massive 15-year military buildup. France, the United States, and the other allies solidly support the NATO decision of December 1979 to protect the alliance's security. While we would prefer to protect our security interests by eliminating the Soviet Union's land-based intermediate-range nuclear forces and cancelling the planned deployment of our own comparable systems, we will move forward with deployment at the end of 1983, in accordance with that decision, if necessary. The Soviets have offered us a plan which locks in the present imbalance—locks in, if you will, monopoly. They've offered to reduce their land-based intermediate-range nuclear forces, while allowing the United States and NATO to have none at all.

Our President has offered the safest possible plan. It would banish this entire class of weapons from the face of the Earth. It's a good plan, a sensible plan, a moral plan, if you will. Sadly the Soviets have continued to stonewall on this peace proposal—a proposal designed not only to reduce the level of nuclear forces in Europe but to reduce tensions between East and West as well.

During my six-nation visit, I have constantly said that if the Soviets don't like our plan, then they should come up with a serious proposal of their own—one which would bring about the same peaceful goal—elimination of an entire generation of intermediate-range weapons.

Our challenge to the Soviet leadership to engage in a peace race has been answered by rejection and by, regrettably, some unprecedented public offensive comments and an offensive itself.

I have said consistently that ours is not a take-it-or-leave-it proposal. But to date the Western democracies have yet to see or hear any indication that the Soviet Union is willing to budge an inch from its position of INF nuclear monopoly. It is time for the new Soviet leaders to act boldly and enter a new age of nuclear arms reductions. And let's march together then for peace.

While we await a new signal from the Soviets, France, the United States, and other nations of the Western alliance are going to stand together and maintain our strength and maintain our deterrence. Together we have kept the

peace in Europe for nearly 40 years. We intend to maintain it for future generations of Europeans and Americans. I am convinced after these visits that our resolve will not be broken.



With President Mitterrand.

London

Arrival Statement, February 9, 1983

It is good to be back in London, my second visit as Vice President in the last year and a half. Britain represents the final stop in my seven-nation European tour, but there is no more important one than this.

I have come to this great nation buoyed by the knowledge that the Western alliance is strong and united and is as determined as ever to protect our freedoms, our countries, and our people.

These are difficult times for most nations of the world. Inflation and

unemployment cripple our economies and thwart the growth of developing countries. And today the West is threatened by an uncalled for and unprecedented nuclear buildup in the East.

Despite the difficulties of the times, we have great responsibilities, and we won't fail to shoulder them. Free men and women look to our alliance to lead them out of economic recession and to provide the deterrence that has insured the peace. NATO has made possible nearly 40 years of peace in Europe; more than 100 wars have raged outside Europe during that time.

The leaders of the United States, Great Britain, and other members of the Western alliance see 1983 as a year of hope and great opportunity. We see the beginning of new economic growth—economic growth sustained by lowering

inflation and shrinking unemployment. This year can also be a year to guarantee the peace for future generations. If we continue to stand shoulder-to-shoulder, if we are unshaken in our resolve, we can succeed in reducing both



With Foreign Secretary Pym.

nuclear tensions and nuclear weapons in Europe.

These are the issues that I'll be discussing today with Prime Minister Thatcher, Foreign Secretary Pym, and other leaders of this great country. While our visit will be far too short, as old friends we'll get a lot accomplished.

Remarks to the Royal Institute of International Affairs, February 9, 1983

I've looked forward eagerly to the chance of addressing this distinguished forum in this magnificent setting. I come to you a bit weary, having spent the last 11 days in seven countries, but very much invigorated in spirit.

Once again, I found that the rumors of the death of our alliance have been greatly exaggerated. President Reagan, who asked me to give you his warmest greetings, sent me to Europe to consult with, and to listen to, the leadership on this side of the Atlantic. I welcomed the chance to bring with me the message that what challenges we face, we face together.

What I found in Western Europe was a group of leaders, united on behalf

of the NATO alliance. And that was the best possible news for all who desire peace.

I have not been to Guildhall before, but I am familiar with its history, with its repeated trials by fire and blitz, and with its indomitable spirit. I was also told about the statesmen who would be looking down on me as I spoke: Nelson, Wellington, Pitt, Churchill. Most Americans would, I think, be somewhat nervous at the prospect of speaking in such an imposing setting. Except, of course, for Henry Kissinger.

But American envoys have often struck the British as rather self-assured. As President Reagan reminded the Parliament when he spoke before it last year, it was Mr. Churchill who said of John Foster Dulles he was the only bull who carried his own china closet with him. But you were once our age and have had your share of self-assured figures. I believe it was one of your early Henrys who angrily inquired of the Duke of Dublin whether it was true he had burned down the local cathedral. "Yes," replied the Duke, "but only because I thought the Archbishop was inside."

My conversations on the continent and here in Britain have focused on the two central problems we face today: the worldwide recession and the Soviet Union's military buildup. I've suggested to many I've met that we would do well to recognize that these problems are, in part, the consequence of our own success.

The economic situation has been, in large part, due to a retrenchment that came after a long, sustained period of economic growth and vitality which raised living standards to historically unparalleled levels. The specific characteristics of the recession vary from country to country, of course, but the pattern is the same: slow or negative growth; high unemployment; declining productivity; and budget deficits representing a high percentage of the domestic product.

I was able to report that the United States is entering a period of recovery from the recession. We're anticipating that this year will see sustained growth—growth that will last, because we are not going to allow inflation to be rekindled.

I agreed very emphatically with European leaders that in these trying economic times we mustn't succumb to protectionist temptations. These would badly cripple the system of open, international trade which has been the bedrock of our phenomenal postwar economic development. We've spent too much time building bridges suddenly to start throwing up walls. Our countries will explore the protectionist issue in depth at the Williamsburg summit this May where the focus will be on worldwide economic expansion. But to return to my trip for a moment. Let me, if I may, share a few impressions with you.

I went, for the first time in my life, to the Berlin Wall and peered over into that desolate landscape of barbed wire, guard dogs, and watchtowers that are the symbols of that regime. After landing in Nuremberg, I went to a small town of 250 people on the inner-German border called "Little Berlin" because of the wall that runs through it. If anything, that wall was an even greater obscenity than its eponym to the north.

Those who live in the eastern part of this small, agricultural town are looked down on by tall, concrete watchtowers. I saw the mines, barriers, machineguns—all of them pointed not west, at NATO, but east, at their own citizens, who are denied the most fundamental of human rights, the right of free movement. So it is that thinking back on the demonstrators over whose background noise I spoke in the Netherlands, I reflect that I am enduringly grateful that these voices have found their fullest expression on this side of the wall.

Recently, I became aware that one East German antinuclear group was swiftly suppressed and that even the symbol of their movement was outlawed—a Soviet statue of a man beating a sword into a ploughshare. Orwell, thou should'st be living at this hour.

There were anniversaries along the way. Our wheels first touched down on European soil 50 years to the day after Adolf Hitler rose to the chancellorship of Germany. It was a compelling and immediate reminder of the vulnerability of weak institutions, and of how devastating are the consequences of their collapse.

On a pleasanter note, this year marks the tricentennial of German im-

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Vice President in Europe

migration to the United States. And in the Netherlands, I took part in the final event of the bicentennial of Dutch-American relations. This evening is an anniversary here in Britain: the 50th anniversary of the famous debate at the Oxford Union, when the proposition, "This house will in no circumstances fight for King and country," carried. Tonight at the Oxford Union the proposition will be: "This house would not fight for Queen and country." I'm told the general feeling this time around is that the proposition will not carry.

Soviet Military Buildup

I mentioned a moment ago that the two challenges we face—the worldwide recession and the unprecedented Soviet military buildup—should be looked at in the context of success, not failure. What the Soviet Union has undertaken should be viewed against the backdrop of a Western strategy of deterrence, both conventional and nuclear, that has kept the peace in Europe for 38 years, the longest such period Europe has known this century.

For over a generation now, we have lived with nuclear weapons. We have had to face enormous challenges and complexities stemming from their destructive power. This has not been an easy task for democratic societies, because our people, quite properly, believe that nuclear weapons should never be used. Thus for a generation, successive Western governments have firmly held that our safety depends on a balance of forces, not an imbalance. Our strategy, therefore, has never been one of war-fighting. Our strategy has always been one of war-preventing. And it works.

Since NATO came into being, there have been well over 100 armed conflicts outside of Western Europe. Determined that we must never permit war to break out again, we are also determined to take whatever steps we must to insure it never does. President Reagan has said, what we all know to be the case, that "there are no winners in a nuclear war—only losers."

That these steps are costly, no one disputes. As enlightened Western democracies, we would obviously rather devote the resources to other purposes.

But as enlightened Western democracies, we certainly must see to it that our security is not hostage to the missiles of a state whose major postwar foreign policy achievements can be summed up with unfortunate concision: East Germany, 1953; Hungary, 1956; Czechoslovakia, 1968; Afghanistan, 1979; Poland, 1981.

Farsighted, responsible leaders and publics who recognize what is at stake are supporting the allocation of resources to the deterrent forces that will prevent the names of more countries from being added to that sad list.

A former British Air Marshall, Sir John Slessor, made the argument well when he said: "It is customary in the democratic countries to deplore expenditures on armaments as conflicting with the requirements of the social services. But there is a tendency to forget that the most important social service a government can provide for its people is to keep them alive and free."

Consistent with our longstanding consensus on deterrence, the NATO alliance made a unanimous decision in December 1979 to respond to the Soviet military buildup. That buildup has been thorough and relentless, conventional, chemical, and nuclear. It has been a buildup that far exceeds any legitimate requirement for defense.

Most destabilizing of all aspects of the buildup have been its deployment of SS-20 missiles, most of which are aimed at the heart of Western Europe.

This missile threatens to undermine the linkage between the American deterrent and the defense of our allies here and on the continent. A Soviet monopoly of intermediate-range nuclear forces (INF) could thus lead that country to believe—however mistakenly—that the United States might not respond to Soviet nuclear intimidation, or in the event of an actual attack on its allies and troops in Western Europe. At a time of rough U.S.-Soviet parity at the strategic level, the emergence of a powerful SS-20 force has given the Soviets the capability they have long sought to intimidate Western Europe.

The myth has been put forward that the American INF deployments would be a step toward nuclear war-fighting, and to war-fighting confined to Europe alone. I can do no better than to quote from the *Economist's* cover article en-

titled: "Can so Many Young People be Wrong About the Bomb? Yes, They Can." The editorial noted that, "Nothing more justifiably infuriates the Americans than the allegation that they want to put cruise missiles and Pershing II missiles into Europe in order to have a purely European nuclear war. These missiles were originally proposed—by Europeans—for exactly the opposite reason."

The *Economist* is right. Nothing is more infuriating than the suggestion we are preparing to fight a nuclear war, because we are not preparing to fight a nuclear war. We are preparing to deter war.

The very presence of American forces provides a guarantee of U.S. involvement in any attack on Western Europe. And that goes a long way toward guaranteeing that the Soviets will not be encouraged to launch an attack. There are, in Europe, about 350,000 American military personnel who, as part of the NATO security forces, provide, in President Reagan's words, "the living guarantee" of our commitment to the peace and security of Europe. Our security is indivisible from Europe's. An attack on you is an attack on us.

NATO's December 1979 decision had, as we all know, two dimensions, or tracks. NATO would deploy INF in Europe, but, at the same time, would try to bring the Soviet Union to the negotiating table for the purpose of making its deployment unnecessary. This was a flexible decision. To be any more flexible we'd have had to be invertebrates.

For 3 years now, the alliance has pursued both tracks. It has done so in the face of Stakhanovite attempts by the Soviet Union to overturn it; and despite the attempts of well-meaning but mistaken Westerners who believe that one track can be pursued without the other.

Andropov Proposal

For a year after we made the decision, the Soviet Union refused even to come to the negotiating table, insisting that we first renounce our plans to deploy our deterrent forces. When the Soviets finally realized NATO was resolute, they agreed to talk. But during the year that

followed, they tried, by what Mrs. Thatcher calls "bogus counting" to prove they did not even possess INF superiority. And now, General Secretary Andropov has made public a negotiating proposal which similarly attempts to overturn the basis of the December 1979 decision.

The Andropov proposal is most interesting. And most paradoxical, for the following reasons. Ever since the 1979 decision, the Soviets have claimed that a "balance" of intermediate-range forces already existed between East and West. Three years later, after deploying one SS-20 a week, while NATO deployed none, they still claim a balance exists. Some balance.

The effect of Mr. Andropov's proposal is clear: to leave the Soviet Union with more missiles pointing at Europe than there were at the end of 1981, when the negotiations began. His proposal, if accepted, would leave nearly 500 warheads aimed at Western Europe. It would leave another 300 pointed at American allies in Asia, Japan, and South Korea, as well as at the People's Republic of China. Their missiles are mobile and easily transportable and could be moved back west of the Urals from which position they would once again be poised to strike at Europe. In a nutshell, the effect of the Andropov proposal would be to achieve exactly the Soviet intermediate-range nuclear superiority which our 1979 decision was taken in order to prevent.

Soviet proposals are based on the concept—also implicit in so many of their public statements—that their security is more important than the security of Western Europe. It shouldn't surprise us that the Soviets take this view of things. But what is surprising is that they should expect Western Europe to concur in it and to demand that the United States negotiate an accord based on it.

Now, Mr. Andropov has justified this one-sided proposal on the grounds that the Soviet Union must be compensated for the existence of the British and French strategic nuclear systems. But as NATO recognized when it made its 1979 decision, these British and French systems cannot substitute for American INF forces stationed in Europe under NATO deterrent strategy.

British and French forces have no place in a bilateral negotiation about land-based, intermediate-range missiles that were the cause for undertaking these talks in the first place. In past arms control negotiations, the Soviet Union has demanded compensation for British and French systems, and has accepted a rebuff from the United States. As President Reagan said in his recent State of the Union message, the United States insists on equality of comparable weapons as the basis for arms negotiations.

Finally, the Soviets' selective inclusion of British and French systems ignores significant advantages they enjoy in other categories of nuclear weapons threatening Western Europe. As we have said, the Soviets have a monopoly on intermediate-range missiles. They try to justify this by saying that there is an overall "balance" of land-based intermediate-range weapons if all systems, including nuclear-capable aircraft, are counted.

This is egregiously false. Any objective estimate of the overall balance—including the ones prepared by the International Institute for Strategic Studies here in London—shows a major Soviet advantage. So, if the United States were to accept the Andropov proposal, we would be codifying an arrangement whereby the Soviet Union would have a permanent INF advantage, even including British and French forces.

For all these reasons, the Andropov proposal is not a reasonable one, because it ignores the very rationale for the 1979 NATO decision. U.S. intermediate-range forces are designed to maintain the vital link between NATO's conventional forces and the U.S.

strategic deterrent. The purpose of the Soviet proposals is not to reduce, or even to limit, British or French forces, but to eliminate U.S. INF from Western Europe and thus decouple Europe from the protection of the U.S. nuclear umbrella.

U.S. Proposal

What, then, is a reasonable offer in the field of intermediate-range nuclear weapons? What should be its objectives? The objectives are simple to describe and in character with all the arms reductions proposals the United States has made:

- Reductions to the lowest possible levels;
- Equal levels of force for the United States and the Soviet Union, which means no "bogus counting"; and
- Verifiability.

President Reagan made a proposal in November 1981, based on these fair-minded straightforward objectives. He proposed that the Soviet Union join with the United States and banish from the entire world this new class of nuclear weapons.

The President's offer was dramatic, bold, and straightforward. The only argument I have heard against it is that the Soviet Union doesn't like it and won't accept it. That would account for the issue of threats and nyets we've been hearing.

But the President's offer isn't a take-it-or-leave-it proposition. He's ready to have Ambassador Nitze explore any reasonable Soviet offer made at the negotiating table in Geneva. I was in Geneva myself a few days ago, and I made that message clear to the Soviet delegates personally. That was the message I read to the people of Europe—East and West—from President Reagan when I spoke in Berlin.

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Everywhere I went in Europe I was asked if I'm optimistic about the talks I've had. Yes, I am. One message I'll be carrying home to the United States is that despite the differences, what unites us is still far more enduring than whatever divides us.

Paul Valery said that: "The trouble with our times is that the future is not what it used to be." I admire the phrasing, but I reject the premise. History has handed us a challenge and an opportunity—a chance to rededicate ourselves to a strategy and values that are still very much alive. Failure? The possibilities do not exist.

Success in this endeavor will have consequences extending even beyond deterrence. It will signal to all the world that an alliance that rises to this challenge will rise to all challenges to the peace it holds so dear. It will fulfill our highest duties: to ourselves, to the future, and to the memory of those four gentlemen under whose rather demanding gazes I have happily found myself today.



Departure Statement, February 10, 1983

With Prime Minister Thatcher.

It has been a pleasure for me and the members of my party to have been so warmly welcomed during our stay in Britain. I want to particularly thank Prime Minister Thatcher, Foreign Secretary Pym, and other leaders of this government for their warmth, friendship, and wonderful hospitality that they extended to us all. I also valued the chance to exchange views with the leaders of the opposition parties.

We leave this morning for the United States after a nine-city, seven-nation tour. While we are weary from our travels, we return home deeply encouraged. During the past 11 days, I have been involved in serious consultation with our Western allies. My belief in this alliance and all that it stands for—freedom, democratic institutions and values, a deep and burning desire to deter aggression and preserve the peace—remains as strong today as ever.

During my visit, one issue dominated both my private talks and public discussions—the nuclear threat posed by the Soviet Union as a result of the deployment of a new class of mobile

land-based nuclear missiles. Today the Soviets hold a monopoly of these weapons over the NATO alliance. They have more than 300 triple-warhead SS-20 missiles while the United States and the NATO allies have none.

Let me say that based on my consultations with European leaders, there should be no misunderstanding about the resolve of the NATO alliance. We are determined to begin deployment of NATO's intermediate-range ground forces at the end of 1983 if negotiations are not successful. This is not a threat but a joint reaffirmation of the commitment to the NATO decision of December 1979.

This is a step that will be taken if necessary, but not by preference. We have said time and time again that we do not want to deploy this new class of weapons, but until the Soviets act reasonably and responsibly and agree to eliminate all INF missiles—ours and

theirs—we have no choice but to act responsibly in order to correct this imbalance and preserve the peace.

Mr. Andropov has been trying to convince us that he is a man of peace. If he is serious, he will match his words with deeds. Join us in Geneva and negotiate in earnest—if not our proposal, then one of your own, designed to achieve the goal that we all seek. Men and women who seek peace are waiting for a Soviet answer that finally says yes.

When I return to Washington, I will be giving the President a full report on what I have learned from the leaders of Europe. I am fully confident that he will continue to stand on principle and do everything that is necessary to preserve the peace that we have known for so long in Europe for this and future generations.

Washington, D.C.

Arrival Statement, February 10, 1983

It is great to be back in the United States after what has been an exhausting but extremely gratifying journey. I can report that the Western alliance is strongly united. After consultation and discussion with leaders of seven of our European allies, I feel confident that the spirit of democracy, the will to resist aggression, and the desire to preserve the peace is as vibrant today as at any time in recent history.

I am convinced that the NATO allies are determined to go forward with both tracks of the December 1979 decision, to negotiate seriously as we are doing right now in Geneva, but to deploy ground-based intermediate forces at the end of this year if the Soviet Union continues to insist on maintaining its nuclear monopoly over Western Europe. In this we are united and firm.

While we have said repeatedly that we would prefer not to deploy our own ground-based INF forces if the Soviets dismantle their own, the United States and Western Europe have seen nothing from the other side but an on-going buildup of Soviet military nuclear forces. Our allies are committed to President Reagan's zero-option proposal—one which would banish from the face of the Earth an entire class of nuclear weapons.

To date we have heard nothing from the Soviets that indicates a willingness to eliminate these weapons and reduce global tensions. Europe has been bombarded by threats and rhetoric—words rather than deeds—in an effort to decouple us from our Western allies.

I repeatedly told the leaders and the people of Europe that ours is not a take-it-or-leave-it proposal. And I consistently challenged the Soviets to come up with their own plan that would achieve the same objective as ours if they didn't like the proposal offered by the United States.

During my visit, I held close, confidential discussions. I will be reporting directly to President Reagan on these discussions which covered matters of mutual concern and agreement. His quest for peace, for nuclear arms reductions, and bedrock commitment to defending our democratic values are strongly shared by our friends in Europe.

News Briefing, February 11, 1983⁴

Q. May I just ask you about the zero-zero option? You say that you brought back to the President the message that our allies would like to see perhaps an interim agreement on the way to a total ban of those weapons. Do I take it from the President's statement today that he is not ruling out the possibility of reaching some interim agreement?

A. We had an opportunity to brief him and, as I said in the press conference yesterday in London, I don't think he'd ruled anything in or out. He's just had a chance to digest the views that we gave him in confidence—received in confidence—from the various leaders. I just don't know what he's going to do yet. It's too early.

Q. —the statement he gave us and I guess what I want to know is, it would be a misinterpretation then to say that he is insisting on nothing but the zero-zero option?

A. You've heard him say that zero-zero option is our position. You've also heard him say that he would welcome a serious proposal from the Soviet Union. Nitze is over there to negotiate and negotiate seriously, and we hope such a proposal will be forthcoming.

Q. Do you have any indication there will be? Have there been any new signs of serious negotiations?

A. I can't say from the 40 minutes I spent with Mr. Kvitsinskiy [Yuri

Kvitsinskiy, head of the Soviet delegation to the INF negotiations] that I got that direct feeling. But it's worth staying in there and trying. One thing I think we dispelled, or hopefully help dispel, on this trip was the feeling that we were not interested in serious negotiation. And I made very clear we were. We also happen to have a very strong moral position banning an entire generation of these intermediate-nuclear force weapons from the face of the Earth. And I say that because the Secretary reminds us that we are dealing globally on some matters, and this is a noble objective. It's an objective that for awhile the Europeans seemed to have lost sight of—not our allies incidentally, not the government leaders, because I found the alliance very much together on this point.

Q. Given our position, even if there is some flexibility in it, and given the Soviet position, as we know it, is it really realistic to think of any arms control this year?

A. Absolutely.

Q. Why?

A. Because I think that we're there to seriously negotiate, and I would think that the Soviet Union would want to help lower the level of terror. What people don't realize is the conviction that our President has about arms reduction. He also is firmly committed to both tracks—going forward on the agreed dates with deployment but staying there seriously negotiating. And we think the Soviets know they have a monopoly at this moment. We think that there ought to be some incentive there for them to negotiate because the *status quo* monopoly for one side and nothing for the other is unacceptable to the Europeans and certainly unacceptable to the United States.

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Q. It's been said recently that this Administration is losing the propaganda war in Europe to the Russians. What is your assessment? Are we losing that propaganda war?

A. No.

Q. And why did you say some Europeans seem to have lost sight of our goal?

A. I think there was some feeling—when zero-option first came out, it captured the imagination of all governments and a lot of the peace movement. Then the Soviet Union, of all people, came forward with kind of a propaganda campaign. I hope that our visit and other things, other statements made by the President in terms of various subjects, but his willingness to be serious about arms reductions, are now back in the forefront. And, so, therefore, I think that there is a much better perception of the U.S. seriousness and willingness after this trip. Maybe that's a little bit of an egotistical assessment, but I believe that the press coverage and the summations that I've seen collected from foreign press coverage would bear that out. That doesn't say we have no problems; there are plenty of problems there.

Q. What would constitute a serious offer by Moscow?

A. I don't know but I think we'd know it when we saw it. Remember what Potter Stuart said about—

Q. Pornography?

A. —pornography, I believe it was? We'll know a serious offer when we see it. And we've got a very able negotiator there. We know an unserious offer when we see that.

Q. Do you think they've been unserious so far?

A. Absolutely, and so does every single ally that I talked to. Not one felt differently on that point.

Q. What about the possibility of an interim agreement along the way before you get to zero-zero?

A. What do you mean, do I—

Q. The allies—the question that the allies said that they might take some steps along the way from—

A. We've noted Margaret Thatcher's statements, we've noted the statements by Mr. Genscher and others, and it's—I've brought back to be kept in confidence the innermost feelings of each of these leaders of the governments and, to some degree, the opposition leaders with whom I've met. And that will all be sorted out now by the Secretary of State and the President as we consider the various recommendations, comments, criticisms, suggestions made by these leaders.

Q. What was the purpose of the open letter that you delivered in Bonn from President Reagan when, in fact, the Soviets had already rejected the so-called zero-zero?

A. When I got to Europe, and before, I think we all agreed that there was some misperception about the President's willingness to meet with the General Secretary. And I reminded the people in Europe that it was, indeed, President Reagan who had suggested that Brezhnev meet him informally at the United Nations. I reminded them—and they needed reminding, I found out—that it was our President who talked a couple of times, at least, about a summit meeting, provided it was well-prepared, the hopes of the world not to be elevated only to be dashed by failure to prepare properly. And this, saying I will drop everything, go anywhere, anytime to sign an agreement, puts in focus the morality and the correctness of the U.S. position on INF.

I realize that some felt that there was nothing particularly new about it, but Chancellor Kohn thought it was a good idea because what he felt is it showed our President—I believe Mr. Vogel had something favorable to say about it. We made it in Germany, so I cite those two. Along the way, a lot of people felt this demonstrated the President's willingness to reach out, albeit the President did define the terms under which he'd have that meeting.

But you can't look at it all alone. You've got to look at the willingness that has been demonstrated. And why the people of Europe felt that the President was unwilling to meet under any circumstances anyway, I don't know. But I think that letter helped lay that to rest and helped put in focus the position that we strongly adhere to.

¹Texts from the Vice President's Office of the Press Secretary.

²Made at a dinner hosted by Her Majesty Queen Beatrix.

³Made at a dinner hosted by Prime Minister Fanfani.

⁴Held at the White House. ■

Progress in the Quest for Peace and Deterrence

President Reagan's address before the American Legion on February 22, 1983.¹

It is always a special pleasure and honor to address the national convention of the Legion. Each meeting is more than a joyous reunion of old comrades from days gone by; it is a reminder of those who cannot be here—those who gave their last full measure of devotion so that we and our children could enjoy the blessings of freedom in peace.

This 23d annual meeting here in Washington, my second speech to a national convention of the Legion, is a suitable occasion for taking stock. Back in August of 1980, when you gathered in Boston, I asked for your help and the help of millions of other Americans to reverse a dangerous course America had drifted on for too long. I said then that, together, it was our duty to begin to choose a new road—a road to peace built upon a realistic understanding of our nation's strength and continuing faith in her values. America has chosen that new road. And today I'd like to report on the progress we have made in the past 2 years in our quest for peace and freedom in an uncertain world.

I know of no more appropriate forum than this convention for such a report. When Dwight Eisenhower addressed this body in 1954, he said, "To help keep America strong—to help keep her secure—to help guide her on the true path to peace, there is no group better qualified than you of the American Legion."

In recent days I have received reports from four senior members of this Administration who've returned from assignments that took them to the far corners of the globe. Vice President Bush was warmly received in Europe, where he helped clear up many misconceptions about American policy. Secretary of State Shultz undertook an extensive tour of the Far East. Our Ambassador to the United Nations, Jeane Kirkpatrick, has returned from a mission to South and Central America. And my National Security Adviser, Bill Clark, reported back from conferences in Europe with our arms control negotiators, Paul Nitze and Ed Rowny.

LEGACY OF THE PAST

The reports of all these capable officials have given us a timely survey of the international scene. It's an encouraging one, marking substantial progress since that day in August of 1980 when I asked for and received your help. The international situation then was truly alarming for all who cared about America and the cause of peace and freedom. Our country was the target for countless political and terrorist attacks all around the globe. In the view of many of our friends, we had become an uncertain ally; in the view of potential adversaries, we'd become a dubious deterrent to aggression. Our position in the United Nations had eroded to unacceptable levels, and our strength as a world power according to every index—moral, political, military, economic—had deteriorated to such an extent that the enemies of democracy and international order felt they could take advantage of this weakness. The Soviets sent their Cuban mercenaries to Angola and Ethiopia, used chemical weapons against innocent Laotians and Kampuchians, and invaded Afghanistan—all with impunity. Perhaps the most degrading symbol of this dismal situation was the spectacle of Iranian terrorists seizing American hostages and humiliating them and our country for more than a year.

How did all this happen? Well, the answer is: America had simply ceased to be a leader in the world. This was not the exclusive fault of any one leader or party, and it will take a truly bipartisan effort to make things right again.

For too long, our foreign policy had been a pattern of reaction to crisis, reaction to the political agendas of others, reaction to the offensive actions of those hostile to freedom and democracy. We were forever competing on territory picked by our adversaries, with the issues and timing all chosen by them. And no one knows better than combat veterans that once you're on the defensive, you can't go forward. The only movement left to you is retreat.

Some of our opinion molders had ceased to believe that we were a force for good in the world. They were ashamed that America was wealthy in a world with so much poverty. They rarely, if ever, explained that America's wealth came not from exploitation or mere good luck but from the hard work of the American people, from risk-taking by American investors, from the creativity of American inventors and entrepreneurs, and a free system of incentives.

Too many of our leaders saw the Soviets as a mirror image of themselves. If we would simply disarm, the Soviets would do likewise. They spent all their time viewing the world the way they wished it was, not the way it really is. And that's no way to protect the peace.

Their approach ignored the central focus of politics—the minds, hearts, sympathies, fears, hopes, and aspirations not of governments but of people. The 20th century has witnessed—and America has led the way in—the rising participation of all the people in international politics. Yet, even in this age of mass communications, too many of our leaders ignored this critical dimension.

Too many of our policymakers had lost touch with changing world realities. They failed to realize that to be an effective force for peace today, America must successfully appeal to the sympathies of the world's people—the global electorate. We can't simply be anti-this and anti-that. We can't simply react defensively to the political proposals of others, sometimes criticizing them, sometimes accommodating them, without positive alternative solutions to basic human problems.

At bottom, they ignored our responsibility to work for constructive change, not simply to try to preserve the *status quo*.

A CONSENSUS FOR RENEWED AMERICAN LEADERSHIP

Fortunately, the American people sensed this dangerous drift, and by 1980 a national reawakening was underway—a reawakening that resulted in a new sense of responsibility, a new sense of confidence in America and the universal principles and ideals on which our free system is based.

It's not an arrogant demand that others adopt our ways. It's a realistic belief in the relative and proven success of the American experiment. What we see in America today, in spite of the many economic hardships we're facing, is a renewed faith in the rightness of our system. That system has never failed us. We have failed the system every time we forgot the fundamental principles upon which it was based.

For America to play its proper role in the world, we had to set our own house in order. Our first and highest priority was to restore a sound economic base here at home. We had to put an end to the inflationary spiral which had been scourging this country for years, creating misery among those who have to survive on fixed incomes, destroying long-term capital markets, and mortgaging the future of our children and grandchildren. Then we had to lay the foundation for a recovery which would be based on sustainable growth without unleashing the inflationary monster again on ourselves and the world.

We've achieved our first economic goal, and we're well embarked on the second. Inflation, which was in double digits in 1979 and 1980, was only 3.9% in 1982 and in the last quarter was down to an annualized rate of only 1.1%.

The other essential precondition of a strengthened and purposeful foreign policy was the rebuilding of our foundation of our military strength. "To be prepared for war," George Washington said, "is . . . the most effectual means of preserving peace." It's precisely because we're committed to peace that we have a moral obligation to insure America's defense credibility.

Now, I realize that many well-meaning people deplore the expenditure of huge sums of money for military purposes at a time of economic hardship. Similar voices were heard in the 1930s,

when economic conditions were far worse than anything we're experiencing today. But the result of heeding those voices then was a disastrous military imbalance that tempted the forces of tyranny and evil and plunged the world into a ruinous war. Possibly some of you remember drilling with wooden guns and doing maneuvers with cardboard tanks. We must never repeat that experience.

Now, for two decades, the Soviet Union has been engaged in building up the most powerful military forces in all man's history. During this period, the United States limited its own military spending to the point that our investment in defense actually declined in real terms while Soviet investment was nearly double our own during the decade of the 1970s. Neither our limiting or canceling of important weapon systems nor the efforts of a decade's worth of arms control agreements and negotiations have stopped or even slowed the Soviet leadership's pursuit of global military superiority.

Well, 2 years ago, we began the long, tough job of rebuilding America's defenses after those years of systematic underfunding and neglect. And today we're on the verge of putting in place a defense program adequate to our security needs. If we show the resolve to sustain the necessary levels of military spending—and, with your support and that of millions of other concerned citizens, we can—we can restore balance and deterrence, and we can better protect the peace.

AMERICA'S GOALS FOR THE 1980s

Now, let me address our foreign policy strategy. Some people have said we don't have one. One of the first things this Administration did was what we believed the American people had demanded of us—namely, to be realistic about the nature of the world and our adversaries and to speak the unadulterated truth about them. Making excuses for bad behavior only encourages bullies and invites aggression.

Pursuing a policy of honesty and realism toward the Soviets doesn't mean that productive relations between our two nations are impossible. What is required for such relations is restraint and

reciprocity. Restraint must be demonstrated not only by words but by deeds. We respect international law and the independence of other peoples. The Soviets need only respond in kind.

Restoring Relations With Allies

Fortunately, America is far from alone in its quest for peaceful, prosperous, and humane international order. With us stand our friends and allies, in particular, the democracies of Europe, of Latin America, Asia, and the Pacific. With us in spirit also are millions of people in Poland and other Soviet-dominated countries, as well as in the Soviet empire itself. I received a snapshot the other day that had been smuggled out of Poland. And I was so proud. It was smuggled out just for the purpose of delivering it to me. It was a picture, a little photograph snapshot of a tiny little girl and a small boy holding a cardboard sign on which were printed things in Polish, and they sent the translation. It said, "Our father is sitting in prison for Solidarity." And the look of sorrow, of pathos on the little girl's face was the most touching thing you can imagine.

Maintenance of our allied partnerships is a key to our foreign policy. The bedrock of European security remains the NATO alliance. NATO is not just a military alliance. It's a voluntary political community of free men and women based on shared principles and a common history. The ties that bind us to our European allies are not the brittle ties of expediency or the weighty shackles of compulsion. They resemble what Abraham Lincoln called the "mystic chords of memory" uniting peoples who share a common vision. So, let there be no doubt on either side of the Atlantic: The freedom and independence of America's allies remain as dear to us as our own.

The Soviets' fundamental foreign policy is to break the link that binds us to our NATO allies. Their growing nuclear threat to Europe, especially since the mid-1970s, has a political as well as a military purpose—the deliberate fostering of a sense of insecurity among the peoples of Western Europe and pressure for accommodation to the Soviet power.

The ultimate Soviet goal in Europe

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is to force the nations to accommodate themselves to Soviet interests on Soviet terms. We should all know just what those terms are. We need look no further than the Berlin Wall and the Iron Curtain. The truth is something that we and our NATO allies must not hesitate to use to counter the slurs and threats made against us. Speaking the truth was one of the primary missions accomplished by Vice President Bush in his recent European trip. He cleared the air of misinformation, indeed, of deliberate falsehoods.

- He reaffirmed America's fundamental commitment to peace. We're not in the business of imperialism, aggression, or conquest. We threaten no one. Soviet leaders know full well there is no political constituency in the United States or anywhere in the West for aggressive military action against them.

- Vice President Bush reaffirmed our commitment to serious, mutual, and verifiable arms reductions. Our proposal is a serious one. And it represents real arms reductions not merely the ratification of existing levels of weaponry on both sides.

- The Vice President also conveyed my willingness to meet anytime and anywhere with Mr. Andropov [Yuriy Andropov, General Secretary of the Communist Party of the Soviet Union] to sign an agreement that would eliminate an entire class of weapons from the face of the Earth. And that offer still stands.

- Finally, he conveyed our belief that success in reducing significantly the strategic arsenals of both sides depends on continued allied unity and a determination to face and speak the truth about the threat confronting us.

I have a deep, personal commitment to achieving an arms reduction agreement at the negotiations in Geneva on intermediate-range nuclear forces (INF). We and our allies are in full agreement that the proposal that I have made for the complete elimination of the entire class of longer range, land-based INF missiles remains the best and most moral outcome. We're negotiating in good faith in Geneva. And ours is not a take-it-or-leave-it proposal. Our negotiations in Geneva are premised upon sound principles, supported by all the allies after long and careful consultation. These principles include:

- The only basis on which a fair agreement can be reached is that of equality of rights and limits between the United States and the Soviet Union.

- As a corollary, British and French strategic systems are, by definition, not a part of these bilateral negotiations and, therefore, not to be considered in them.

- In addition, Soviet proposals—which have the effect of shifting the threat from Europe to Asia—cannot be considered reasonable.

- And finally, as in all areas of arms control, it will be essential that an INF agreement be underwritten by effective measures for verification.

Now, we view these negotiations as offering the best hope of assuring peace and stability through the reduction of INF systems. Toward that end, Ambassador Nitze has been instructed to explore in Geneva every proposed solution consistent with the principles to which the alliance subscribes.

Any discussion of alliances, friends, and concerns of the United States must give special attention to Asia. The U.S.-Japanese relationship remains the centerpiece of our Asian policy. Together, the United States and Japan can make an enormous contribution to the economic dynamism and technological progress needed for economic growth and development throughout the world. In Asia itself, we continue to strengthen our partnership in support of peace. Prime Minister Nakasone and I affirmed our commitment to this partnership during his recent visit to Washington. Secretary Shultz's visit to Tokyo underscored it.

Our relationship with the People's Republic of China is another important one, not only for stability and peace in Asia but around the globe. During his visit to Beijing, Secretary Shultz had many hours of frank and useful discussions with Chinese leaders. The most important thing to emerge from these talks was that, despite our differences, it is clear that both sides value this relationship and are committed to improve it.

As we rebuild our relationship with China, we will not forget our other friends in the area. We are committed to maintaining our relationship with the people of Taiwan, with whom we have had a long and honorable association. Our ties with the Republic of Korea remain strong, as troops of our two nations jointly protect that divided land against threatened aggression from the north. Incidentally, I must say, Secretary Shultz went up to the dividing line, the demilitarized zone, and met with our

troops up there, some of whom were just going out on patrol for the night in that zone. And he came back with such glowing stories of the morale and the *esprit de corps* of our men there. And I've heard the same from the European theater. We need have no concern about the will and determination of our sons around the world who are representing [inaudible].

I wonder if I could take a second—I didn't intend to do this, and I've told it to some other people before. But it's a letter I received from one of our ambassadors in Europe. He had been up in the East German frontier visiting the Second Armored Cavalry Regiment. And he spoke glowingly of them. But in his letter, he said that when he went to his helicopter, he was followed by a 19-year-old trooper who asked him if he thought he could get a message to me. Being an ambassador, he allowed as how he could. The kid stood there and then said, "Mr. Ambassador, will you tell the President, we're proud to be here, and we ain't scared of nothing?"

In Southeast Asia, the Association of South East Asian Nations, ASEAN as it's called, is cooperating to improve the economic, cultural, and educational growth of that region. Our country has strong mutual ties with ASEAN and its individual members. And the ANZUS pact with Australia and New Zealand is one of the most significant relationships we have in the world today.

Peacemaking

But in many of the important regions of the world, active conflicts take innocent lives, stunt economic growth, and block social progress. The United States has a unique ability and responsibility to work for peace in these regions.

In the Middle East, we're working to convince the peoples of the area that lasting peace and security can only come through direct negotiations, not the use of armed force. A secure and lasting peace for Israel and its Arab neighbors—including a resolution of the Palestinian problem that satisfies that people's legitimate rights—is a fundamental objective of our foreign policy.

We've launched a new initiative designed to accelerate and broaden the negotiation process begun at Camp David. That process fulfilled the principle of exchanging occupied territory for peace between Israel and Egypt. Today, I repeat my call to the Arab world to accept the reality of Israel, the reality that peace and justice are to be gained only

through direct negotiation. King Hussein should be supported in his effort to bring together a joint Jordanian-Palestinian team to negotiate the future of the West Bank, Gaza, and Jerusalem.

We also continue to work for the total withdrawal of all foreign forces from Lebanon so that country can once again be an independent sovereign state. We call on Syria, the Palestine Liberation Organization, and Israel to withdraw their forces from Lebanon in the shortest possible time. A continued occupation of Lebanon by these forces can only serve the interests of those who wish to undermine the cause of peace.

This Administration is prepared to take all necessary measures to guarantee the security of Israel's northern borders in the aftermath of complete withdrawal of the Israeli Army. But peace can only evolve through freely negotiated agreements, not solutions imposed by force.

Strengthening the International Economic System

The world is going through a period of great economic instability, one that poses significant dangers to world security. We and our allies must demonstrate the political courage to cooperate in undertaking the necessary remedies, particularly when these remedies require near-term sacrifices. Never has it been more true that we will all hang separately if we do not hang together.

A key element of our relationship with countries around the world is the economic link that unites us with trading partners. I'll not go into great detail today about the international economic and trade policies. But one point I want to make is that it is and will be our policy to oppose protectionism at home and abroad and to foster the continued pattern of ever freer trade which has served the world so well. And it must also be fair trade.

Promoting Progress in Developing Countries

Closely related to the trade and economic component of our foreign policy is our relationship with the developing world. I'm convinced that the time has come for this country and others to address the problems of the developing nations in a more forthright and less patronizing way. The fact is that massive infusions of foreign aid have proven not only ineffective in stimulat-

ing economic development in the Third World; in many cases, they've actually been counterproductive. That kind of foreign aid is nothing more than welfare payments on a global scale and is just as ineffectual and degrading. Our economic assistance must be carefully targeted and must make maximum use of the energy and efforts of the private sector. This philosophy is reflected in the Caribbean Basin initiative I announced a year ago. Its goal is to combine trade, aid, and incentives for investment into a balanced arrangement that encourages self-help for the people of the Caribbean Basin. Again and again, leaders of these countries have told me that they don't want a handout, only help to improve their own lives by their own efforts.

An important part of such help is exposure to the effective management practices and economic thinking that contribute so much to successful development in the advanced economies like our own. There is no more damaging misconception than the notion that capitalism is an economic system benefiting only the rich. Economic freedom is the world's mightiest engine for abundance and social justice. In our own country, it has created more wealth and distributed it more widely among our people than in any other society known to man. Developing countries need to be encouraged to experiment with the growing variety of arrangements for profit sharing and expanded capital ownership that can bring economic betterment to their people.

Of course, economic problems are not the only ones that developing countries must contend with. The volatile combination of poverty with social and political instability makes many of these countries natural targets for subversion by the new colonialism of the totalitarian left. When countries must divert their scarce resources from economic development in order to fight imported terrorism or guerrilla warfare, economic progress is hard to come by. Security assistance, therefore, is an integral part of our aid policy with respect to Latin America and the developing world in general.

We face a special threat in Central America where our own national security is at risk. Central America is too close to us, and our strategic stake in the Caribbean seaways and the Panama Canal is too great for us to ignore reality. The specter of Marxist-Leninist controlled governments in Central America with ideological and political loyalties to Cuba and the Soviet Union poses a

direct challenge to which we must respond. Poverty together with social and political instability make a volatile combination which the new colonialists of the totalitarian left are trying to exploit for their own cynical purposes.

The reaffirmation of democracy in Costa Rica in their elections of last year, the transition from military rule to elected civilian government in Honduras, and the launching of democracy in El Salvador with the successful elections last March prove that we're on the right course.

Thanks to this progress, Marxist revolution is no longer seen as the inevitable future of Central America. Democracy with free elections, free labor unions, freedom of religion, and respect for the integrity of the individual is the clear choice of the overwhelming majority of Central Americans.

But economic reform needs time to work, and democracy must be nurtured in countries where it doesn't have long traditions. We must insure that the governments of El Salvador and other Central American countries can defend themselves against the Marxist guerrillas who receive guns, training, and money through Cuba and Nicaragua. The United States cannot and will not allow Marxist terrorism and subversion to prevail in Central America.

At the same time, we will continue, through our own efforts and through supporting efforts by other democracies of Latin America, to explore all possibilities for reconciliation and peace in Central America. But let me make it plain: We will never abandon our friends, and we will never abandon our conviction that legitimate political power can be gained through competition at the ballot box in free, open, and orderly elections.

Ambassador Kirkpatrick, on her recent trip to Latin America, engaged in extensive consultations with leaders of the region and assured them that we would pursue our common efforts to foster economic development, assist with security concerns, and strengthen the forces of freedom.

Fostering the Global Growth of Democratic Institutions

Last June, when I addressed the British Parliament, I outlined the all-embracing goal of our foreign policy. I observed that Americans have a positive vision of the future, of the world—a realistic and idealistic vision. We want to see a world that lives in peace and freedom under

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the consent of the governed. So far, however, we and the other democracies haven't done a very good job of explaining democracy and free economy to emerging nations.

Some people argue that any attempt to do that represents interference in the affairs of others—an attempt to impose our way of life. It's nothing of the kind. Every nation has the right to determine its own destiny. But to deny that democratic values any relevance to the developing world today, or to the millions of people who are oppressed by Communist domination, is to reject the universal significance of the basic timeless credo that all men are created equal—and that they're endowed by their Creator with certain inalienable rights.

People living today in Africa, in Latin America, in Central Asia, possess the same inalienable right to choose their own governors and decide their own destiny as we do. By wedding the timeless truths and values Americans have always cherished to the realities of today's world, we have forged the beginnings of a fundamentally new direction in American foreign policy—a policy based on the unashamed, unapologetic explaining of our own priceless free institutions and proof that they work and describing the social and economic progress they so uniquely foster.

History is not a darkening path twisting inevitably toward tyranny, as the forces of totalitarianism would have us believe. Indeed, the one clear pattern in world events—a pattern that's grown with each passing year of this century—is in the opposite direction. It is the growing determination of men and women of all races and conditions to gain control of their own destinies and to free themselves from arbitrary domination. More than any other single force, this is the driving aspiration that unites the human family today—the burning desire to live unhindered in a world that respects the rights of individuals and nations. Now, I'll admit we're wrong when we have to put barbed wire up to keep our people from leaving this country.

Nothing makes me prouder of the country that I serve than the fact that, once again, America leads the vanguard of this movement. So, let's turn off and tune out on those voices which for too long would have us cringing under the weight of a guilt complex.

It is America that has proposed the elimination of an entire class of nuclear weapons from the face of the Earth,

that has called for a 50% reduction in intercontinental strategic missiles.

It is America that has helped end the siege of Beirut and is effectively working to broaden the Middle East peace process.

It is America that works closely with the African front-line states and our European allies for peace in southern Africa and that worked tirelessly with both Britain and Argentina to seek a peaceful resolution of the conflict in the South Atlantic.

It is America that encourages the trend toward democracy in Latin America and elsewhere in the world and cooperates with the Muslim countries and all those who want an end to the brutal Soviet occupation of Afghanistan.

It is America that joins with other free peoples in calling for reconciliation and an end to oppression in Poland.

And, yes, it is America that leads the world in contributions to humanitarian and refugee programs, and to assistance programs to help the less fortunate nations of the world.

Isn't it time for us to reaffirm an undeniable truth that America remains

the greatest force for peace anywhere in the world today. For all the stress and strain of recent ordeals, the United States is still a young nation, a nation that draws renewed strength not only from its material abundance and economic might but from free ideals that are as vibrant today as they were more than two centuries ago when that small but gallant band we call our Founding Fathers pledged their lives, their fortunes, and their sacred honor to win freedom and independence.

My fellow Legionnaires, the American dream lives—not only in the hearts and minds of our own countrymen but in the hearts and minds of millions of the world's people in both free and oppressed societies who look to us for leadership. As long as that dream lives, as long as we continue to defend it, America has a future, and all mankind has reason to hope.

¹Text from White House press release. ■

State of the Union Address (Excerpt)

Excerpt from President Reagan's address before a joint session of the Congress on January 25, 1983.¹

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. . . America's leadership in the world came to us because of our own strength and because of the values which guide us as a society; free elections, a free press, freedom of religious choice, free trade unions, and, above all, freedom for the individual and rejection of the arbitrary power of the state. These values are the bedrock of our strength. They unite us in a stewardship of peace and freedom with our allies and friends in NATO, in Asia, in Latin America, and elsewhere. They are also the values which in the recent past some among us had begun to doubt and view with a cynical eye.

Fortunately, we and our allies have rediscovered the strength of our common democratic values, and we're applying them as a cornerstone of a comprehensive strategy for peace with freedom. In London last year, I announced the commitment of the United States to developing the infrastructure of democracy throughout the world. We intend to pursue this democratic initiative vigorously. The future belongs not to governments and ideologies which oppress their peoples but to democratic systems of self-government which encourage individual initiative and guarantee personal freedom.

But our strategy for peace with freedom must also be based on strength—economic strength and military strength. A strong American economy is essential to the well-being

and security of our friends and allies. The restoration of a strong, healthy American economy has been and remains one of the central pillars of our foreign policy. The progress I've been able to report to you tonight will, I know, be as warmly welcomed by the rest of the world as it is by the American people.

We must also recognize that our own economic well-being is inextricably linked to the world economy. We export over 20% of our industrial production, and 40% of our farmland produces for export. We will continue to work closely with the industrialized democracies of Europe and Japan and with the International Monetary Fund to insure it has adequate resources to help bring the world economy back to strong, noninflationary growth.

As the leader of the West and as a country that has become great and rich because of economic freedom, America must be an unrelenting advocate of free trade. As some nations are tempted to turn to protectionism, our strategy cannot be to follow them but to lead the way toward freer trade. To this end, in May of this year America will host an economic summit meeting in Williamsburg, Virginia.

As we begin our third year, we have put in place a defense program that redeems the neglect of the past decade. We have developed a realistic military strategy to deter threats to peace and to protect freedom if deterrence fails. Our armed forces are finally properly paid; after years of neglect are well trained and becoming better equipped and supplied. And the American uniform is once again worn with pride. Most of the major systems needed for modernizing our defenses are already underway, and we will be addressing one key system, the MX missile, in consultation with the Congress in a few months.

America's foreign policy is once again based on bipartisanship, on realism, strength, full partnership, in consultation with our allies, and constructive negotiation with potential adversaries. From the Middle East to southern Africa to Geneva, American diplomats are taking the initiative to

make peace and lower arms levels. We should be proud of our role as peacemakers.

In the Middle East last year, the United States played the major role in ending the tragic fighting in Lebanon and negotiated the withdrawal of the PLO [Palestine Liberation Organization] from Beirut.

Last September, I outlined principles to carry on the peace process begun so promisingly at Camp David. All the people of the Middle East should know that in the year ahead, we will not flag in our efforts to build on that foundation to bring them the blessings of peace.

In Central America and the Caribbean Basin, we are likewise engaged in a partnership for peace, prosperity, and democracy. Final passage of the remaining portions of our Caribbean Basin initiative, which passed the House last year, is one of this Administration's top legislative priorities for 1983.

The security and economic assistance policies of this Administration in Latin America and elsewhere are based on realism and represent a critical investment in the future of the human race. This undertaking is a joint responsibility of the executive and legislative branches, and I'm counting on the cooperation and statesmanship of the Congress to help us meet this essential foreign policy goal.

At the heart of our strategy for peace is our relationship with the Soviet Union. The past year saw a change in Soviet leadership. We're prepared for a positive change in Soviet-American relations. But the Soviet Union must show by deeds as well as words a sincere commitment to respect the rights and sovereignty of the family of nations. Responsible members of the world community do not threaten or invade their neighbors. And they restrain their allies from aggression.

For our part, we're vigorously pursuing arms reduction negotiations with the Soviet Union. Supported by our allies, we've put forward draft agreements proposing significant weapon

reductions to equal and verifiable lower levels. We insist on an equal balance of forces. And given the overwhelming evidence of Soviet violations of international treaties concerning chemical and biological weapons, we also insist that any agreement we sign can and will be verifiable.

In the case of intermediate-range nuclear forces, we have proposed the complete elimination of the entire class of land-based missiles. We're also prepared to carefully explore serious Soviet proposals. At the same time, let me emphasize that allied steadfastness remains a key to achieving arms reductions.

With firmness and dedication, we'll continue to negotiate. Deep down, the Soviets must know it's in their interest as well as ours to prevent a wasteful arms race. And once they recognize our unshakable resolve to maintain adequate deterrence, they will have every reason to join us in the search for greater security and major arms reductions. When that moment comes—and I'm confident that it will—we will have taken an important step toward a more peaceful future for all the world's people.

A very wise man, Bernard Baruch, once said that America has never forgotten the nobler things that brought it into being and that light its path. Our country is a special place, because we Americans have always been sustained, through good times and bad, by a noble vision—a vision not only of what the world around us is today but what we as a free people can make it be tomorrow.

We're realists; we solve our problems instead of ignoring them, no matter how loud the chorus of despair around us. But we're also idealists, for it was an ideal that brought our ancestors to these shores from every corner of the world.

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¹Text from Weekly Compilation of Presidential Documents of Jan. 31, 1983. ■

Vice President Bush's and Secretary Shultz's Trips

PRESIDENT'S STATEMENT,
FEB. 11, 1983¹

It was a pleasure for me today to welcome home Vice President Bush and Secretary of State Shultz, who have just completed important diplomatic missions in Europe and Asia. Both men accomplished their missions with calmness, competence, and strength and helped to reaffirm our country's commitment to peace.

The Vice President and the Secretary of State briefed me and my national security advisers today on the details of their trips. Clearly their journeys have reinforced American policy and have set the stage for added progress in the future in two areas of the world enormously important to our country and our people.

Vice President Bush went to Europe first and foremost to listen. His trip illustrated that NATO—in contrast to the Warsaw Pact—is a voluntary alliance of free people based on consultation and consensus.

The Vice President also carried a message from me that was simple and clear.

First, he emphasized that our zero-zero intermediate-range nuclear forces proposal is a serious one that would represent a real breakthrough in arms control. As such, it contrasts dramatically with the Soviet proposal which would merely preserve an existing Soviet advantage that is dangerous to the West.

Second, he made it clear that our initiative—which would eliminate an entire category of missiles—is a fair and moral position.

Third, the Vice President made it clear that we are willing to explore any serious Soviet proposal and that I, personally, am prepared to meet Mr. Andropov anywhere, anytime to sign an agreement to eliminate all land-based intermediate-range nuclear missile weapons from the face of the Earth.

Finally, the Vice President conveyed our belief that progress at Geneva depends now—more critically than ever—on continued allied unity and the determination to deploy the missiles requested by our NATO allies if results cannot be achieved which make this unnecessary.

I am deeply encouraged by the report that the Vice President has given me. We and our allies are as one in wanting genuine arms control and in our commitment to the dual-track decision. The message that the Vice President carried and the favorable responses he received reflect a solid expression of allied unity we can all be proud of.

The trip of the Secretary of State to Asia was also of great significance, strengthening our relations with three countries very important to the people of the United States—Japan, China, and Korea. Secretary Shultz's trip to this very important region of the world was an extremely successful one. He also achieved the goals I set for him.

The Secretary reported to me that he comes back from his trip more convinced than ever that much of the world's future is tied up with events in Asia and the Pacific. I fully agree with this assessment. He emphasized to me that Asians share our concerns about the need for significant arms control measures to insure worldwide peace and security.

In Japan, building upon my recent meetings in Washington with Prime Minister Nakasone, the Secretary reaffirmed the strength of the U.S.-Japan alliance structure and the partnership for peace to which both of our countries

are committed. He followed up on the discussions we had in Washington on ways by which Japan can better assume its appropriate responsibilities in defense and trade matters.

In his meeting at Beijing with the Chinese leadership, the Secretary agreed on the need to develop mutual confidence and trust and to continue the dialogue between our two countries in order to achieve a strong and enduring relationship. In this connection, I am pleased that Premier Zhao has accepted my invitation to visit the United States. The time will be agreed on through diplomatic channels.

In the Republic of Korea, the Secretary, in his discussion with leaders of that country and by his visit to American troops in the demilitarized zone, made clear the U.S. determination to stand by the Korean people and to maintain our pledge to defend Korean independence against outside aggression.

In Hong Kong the Secretary chaired a conference of U.S. Ambassadors in East Asia and the Pacific. They discussed economic and political issues in the region, particularly pointing to the strength of our relationships with our friends and allies there.

¹Text from White House press release. ■

Arms Control and Reduction

Following are excerpts from President Reagan's remarks and a question-and-answer session he held with reporters on January 14, 1983.¹

I have a statement here. But before I begin, I just want to explain the subject of this. There has been such disarray, approaching chaos, in the press corps with regard to the subject of arms control that I thought before you unraveled into complete disorder that maybe we should straighten out the entire subject. So, before taking your questions, I'll express a thought or two which are a matter of deep conviction for me with regard to arms control. These concern what we must do before we can expect

to be successful and then what principles ought to guide us in our negotiating strategy.

First, it seems to me that the two factors essential to success in arms control are leverage and determination.

With respect to leverage, it's clear that when I arrived in office, there was virtually no hope that we could expect the Soviets to bargain seriously for real reductions. After all, they had all the marbles. We hadn't designed a new missile in 15 years. We hadn't built a new submarine in the same period, although they'd built more than 60. Our bombers were older than the pilots who flew them.

Today that's no longer the case. Working with the Congress, we have, in the past 2 years, succeeded in getting authorization for a complete modernization of the triad of strategic forces with the exception of the MX, which still requires congressional action this spring. My point is that now we're in a position to get somewhere, and I'm determined that we shall.

The other quality I mentioned was determination. Recently I've made a few management changes so that we'll have a streamlined team in place through which we can reach decisions promptly and get results in the Geneva talks.

I want to say something else about my strategy toward arms control. It seems to me that if you look back over the history of the past 15 years of talks, certain things emerge. Frankly, some things have worked, and others have not.

Let me be specific. Some people have argued that we ought to try unilateral disarmament, that we should cut our own systems without getting anything from them in return in the hope that our example will lead the Soviets to cut theirs. That approach has been tried on a number of occasions. For example, President Carter decided to cut the B-1 bomber, perhaps in the expectation that the Soviets would cut back on their bomber programs. It didn't work. Instead of cutting back, the Soviets went steadily ahead with the Backfire and another advanced bomber.

On the other hand, some things have worked. Most of you recall that in the late 1960s President Johnson tried very hard to engage the Soviets in talks on antiballistic missile (ABM) systems. At the time, we had no deployment planned; in short, no leverage. The Soviets refused to talk. But then the United States decided to go ahead with an ABM plan, and you know the rest. When it became clear that we would go ahead with the deployment, the Soviets came to the table, and we got a treaty that still endures today.

The lesson is that they will bargain when they have an incentive. And today that incentive exists, and I'm convinced that we can make real progress.

It is with this thought in mind that I had an in-depth meeting yesterday on arms control with some of my arms control advisers. Next week I'll be meeting with Ambassadors Ed Rowny, [special representative for arms control and disarmament negotiations] and Paul Nitze [head of the U.S. delegation to the intermediate-range nuclear forces

negotiations]. We're ready, and I'm confident that with determination we can succeed.

Keeping in mind our commitment to the security of Europe and to peace, and in order to insure the closest possible coordination with our European allies on arms reductions and deterrence, I've asked Vice President Bush to go to Europe for talks with my European counterparts. And while he's there, the Vice President will meet with the Pope, Prime Minister Thatcher, Chancellor Kohl, President Mitterrand, Prime Minister Fanfani, Prime Minister Martens, and Prime Minister Lubbers, as well as with our negotiating teams in Geneva.

And let there be no doubt: We're ready. We'll consider every serious proposal, and we have the determination to succeed in this, the most important undertaking of our generation.

Q. Do you think that it would be good to have a summit meeting with Andropov first, to try to nail down what they're really proposing now, what all these new proposals mean? And are you ready for such a summit?

A. No, I think that since the talks are supposed to begin early in February, the first week of February—General Rowny and Paul Nitze are prepared to go there—I think that that takes place first, and we see then what might lead to, or if there is a need for such a meeting.

Q. I have a question on one of the things you mentioned—the subject of disarray, if I may. There is a perception that the disarray is here in the White House, that you have been out of touch, that you have had to be dragged back by your staff and friends on Capitol Hill to make realistic decisions on the budget. There was even a newspaper column saying that your Presidency is failing. Will you address yourself to this perception?

A. Yes. That's why I came in, to point out to you accurately where the disarray lies. It's in those stories that seem to be going around, because they are not based on fact. And I would suggest that sometimes you get some unnamed-source information, that any of us here in the White House would be willing to help you out by giving you an answer as to whether that information is correct or not.

Q. Specifically on the business of your staff—the stories that your staff and your friends such as Senator Laxalt have had to, sort of, drag you back from an economic game plan that was failing—was it your decision to make these turns that we hear about toward new taxes, toward perhaps a different approach to cutting the budget, and to the defense matters?

A. Maybe the problem is that what we're doing is a little bit new to Washington. I said from the very beginning that we had a Cabinet-type government—as I'd had in Sacramento—that we had a Cabinet that was chosen for their ability and their knowledge and not because they controlled delegates at a convention or something, and that I would seek advice and every kind of viewpoint in arriving at decisions. Now, we've been doing that. And it's been working very well. And it is true that I ask and want to hear differing viewpoints on things. But then, I make the decisions. And this has been working very well.

And we've had a very heavy agenda for the last few weeks. We've been working long hours on a number of things that are before us here. And, as I say, we had a very serious and a long meeting yesterday on this particular subject.

But now we're getting too far away from the general subject.

Q. Do you think that by the time your first term is over—I know what your hope on it is—but do you really think that by the time your first term is over that we will have an arms reduction treaty with the Soviet Union?

A. I think it'd be unwise for anyone, knowing the history of the some 19 attempts by this country to bring about arms reduction and control with the Soviet Union in the past, to make a prediction or put a time limit of any kind on this. I will say this: We will stay at a table negotiating as long as there is any chance at all of securing arms reduction, because it is the most important problem facing this generation.

Q. Could you comment on reports that have circulated in recent days that sometime after the German elections, you might explore alternatives to your zero-zero option and START negotiations?

A. No, and here you're getting dangerously into an area that can't be opened to discussion, which is the tactics of negotiating and the strategy of negotiating. If you discuss that openly,

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then there is no strategy, and you've tied your hands with regard to attaining anything.

Q. You mentioned in your opening statement the MX missile. During the campaign when you ran for office, you repeatedly ridiculed former President Carter for his failed efforts to get an MX basing plan and get the program going. How has your experience been any different than his? And how could you say that your efforts have been any more successful than his?

A. If you'll forgive me, my criticism mainly was, I was in great disagreement with his plan, not a failure to get it. I just did not believe—and from the counsel and advice that I sought and was able to get—I did not believe that such a plan was practical or that it would in any way result in more security for the weapons system.

Q. A lot of the criticism—which you referred to earlier when we talked about disarray—has centered around the fact that perhaps you've over-promised the recovery of the economy. And much of what's been written in recent days has centered on that when they talked of disarray. And you seem to have changed your positions by being described in articles as willing to think about taxes in the out-years if they're needed to bring down the deficit. All of that has contributed to this. Do you think that's unfair?

A. I have and will continue to say that there are still decisions to be made. We've made great progress with regard to the budget plan. I do not believe that philosophically I have changed at all. But I'm not prepared to discuss that. And we now have left this other subject, and we should get back to it. I am—

Q. I was coming back to this one. [Laughter]

A. No, I think that, again, this has been very inaccurate—things that are only options being presented and in which there has been no decision. And, as I say, I've asked for the widest range of options, and then I suddenly see them announced—as rumored that I have made a decision or I have decided on this or I'm willing to go this way or not. That is where, as I say, the leaks have been very inaccurate, and I just don't think you should place so much confidence in them.

Q. Since the policy on leaks was announced on Monday, the Secretary of the Treasury put on record or on

background virtually all of the tax measures that are being considered for the new budget. The Secretary of Defense said on television that there would be a military and civilian pay freeze. The details are open. And the Associate Attorney General revealed on the record your decision to veto the crime and one of the wilderness bills. All in all, it's been a very good week for leaks and for reporters. Does this really serve any purpose?

A. The difference is that you were able to identify every one of those people. They didn't come and appear in your newscast or in print as an "unidentified, high, White House source."

Q. But that's where the perception of you seeming to change your stand, a part of it, comes from.

A. I haven't seen the exact words of some of those statements, but I would suggest that maybe they were trying to explain away the misstatements or the assumptions that had been made.

Q. In addition to the Secretaries—Secretary Regan, Secretary Weinberger, others have spoken publicly—the Joint Chiefs of Staff spoke publicly about your defense cuts and said that they would have preferred the cuts to be in weapons systems, not in pay and personnel that would actually hurt readiness. Doesn't this contribute to the appearance that you have backed down on your defense buildup and on your commitment not to hurt the readiness?

A. No, there has been, as the Secretary admitted that there might be, some slight stretching out of our readiness preparations. But we have already achieved great gains in those. So, it isn't as if we were starting from scratch on that. But our preference was not to delay or set back the weapons buildups that we need in order to close the window of vulnerability. And at the same time, may I say that we think with our arms control talks—we're creating a window of opportunity here.

But, no, we haven't retreated from our position on that. I, myself, would have preferred to not have to make those. We're facing reality with what we're going to present in a budget to the Congress and what we believe can meet our problems and would be acceptable to Congress.

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¹Text from Weekly Compilation of Presidential Documents of Jan. 17, 1983. ■

Caribbean Basin Initiative

President Reagan's remarks to ambassadors of member nations of the Organization of American States (OAS) at the White House on December 22, 1982.¹

I'm delighted to welcome all of you distinguished members from the diplomatic community and the other honored guests who are here with us.

I want to report to you today on the status of our Caribbean Basin initiative. This initiative is part of America's contribution to a collective partnership for peace, prosperity, and democracy in the Caribbean and Central America. And, as you know, I recently traveled to South and Central America. The reception I received convinced me even more of the vital importance to all of us of the well-being, the independence, and the security of the nations of the Caribbean Basin and, indeed, the entire hemisphere.

My conversations with the Presidents of five Caribbean Basin countries were particularly inspirational and helpful. We face common economic problems of deficits, slow growth, idle capacity, and high debts, and common threats of insurgencies supported by Cuba and other Soviet satellites.

I was impressed most, though, by the bright prospects for the future. Great advances were made over the previous two decades in economic growth, in developing and diversifying industrial and agricultural production, improving health services and education. I'm convinced that the hemisphere will continue this trend of strong growth and improvement.

The promise of the New World remains bright. We have great resources and dynamic peoples. Prosperity strengthens democracy. Throughout the hemisphere, democracy is on the move. Nearly all the governments in the Caribbean Basin are now democracies. Freedom and respect for human rights gives the fullest expression to the meaning of life, and democracy also advances peace. Democracies live easier with each other. Freedom is not a source of aggression; it can't be imposed like totalitarian philosophies by force and repression.

I found in my talks just recently on this trip to South America, how few of us have stopped to think that this

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hemisphere and these two great continents linked as they are by Central America have probably known a longer period of peace than almost any other area of the world, and maybe it's because no matter which country we come from, our forebears all came here from someplace else looking for the same thing—opportunity and freedom. And as we grow closer to each other—more neighborly—we can become a force for good in the world more than anyone could dream at this time.

I sought to explain our policies, and I found support for them: to strengthen the practice of democracy and the respect for human rights; to continue support for the San José peace process to reduce tensions and conflict in Central America; to provide limited assistance to help small countries struggling for democracy to defend themselves against foreign supported insurgents or terrorists determined to impose their own totalitarian ideas; to support the integrity of an open and free trading system which is vital to the prosperity of all the peoples of this hemisphere; to help countries trying to work through financial crises and which are adopting adjustment programs in hard times just as we're doing.

I'm pleased that we now have substantial agreement on the important elements of a replenishment of the Inter-American Development Bank. This includes an overall lending program of \$13 billion, an acceptable level of concessional financing, and a new intermediate financial facility. And of course the Caribbean Basin initiative is a central and critical feature of this policy. Its importance was underscored by everyone I met.

I promised that my Administration would do its best to gain passage of the free trade and investment proposals in the initiative in this session of Congress. Now this is not a "made-in-the-U.S.A." product. We in the Americas have all contributed our ideas, our resources, and our strong efforts to create this bold approach to development, a positive program rooted in self-help and a private initiative through which we and our neighbors can assist each other.

Let me report on where that effort stands and what lies ahead. The aid portion of the program is an accomplished fact. The other part, having to do with trade and investment, is still in the legislative process, I'm sorry to say. Because of procedural maneuvering by a small minority of opponents, it has been

difficult to bring that part of the Caribbean Basin initiative legislation to a floor vote in the Senate where a clear majority would have supported passage.

But what I want you to know is that the Caribbean Basin initiative will not die. The tremendous efforts that the leaders of your countries have put into this bill will not be in vain. It was your leaders who were most responsible for capturing the attention of one of this country's most able legislators, Dan Rostenkowski. He turned his skills toward passage of the Caribbean Basin initiative in this short, lameduck session, and was able to produce an overwhelming vote of 260 to 142 in the House of Representatives. Working together, I'm sure that we can count on his leadership again when the session resumes next—or the new Congress comes in next year.

I know we can also count on the strong and able support of Senator Dole. I'm personally determined to see the Caribbean Basin initiative through. This initiative is close to my heart. It is my highest priority. It proposes the right measures to help our neighbors through this difficult period. More important, it

can help open the door on to the kind of future our neighbors have a right to expect.

The Caribbean Basin initiative will be among the very first pieces of legislation that I submit to the 98th Congress next year. The time is short, the needs are great, but we'll win this fight, because there's no acceptable alternative. Together we're a tremendous force for good. We'll show the world that we conquer fear with faith, that we overcome poverty through growth, and that we counter violence with opportunity and freedom.

And, so saying, that's all that I have to say, except a thank you to all of you who have helped so hard in trying to get this passed through the legislature in this session. I thank you for your efforts in the past. I wish I could say that's all that we have to now do. But I'll just consider that you're going to be just as active and working just as hard in the near future when the holidays are over and the Congress is back in session.

¹Text from Weekly Compilation of Presidential Documents of Dec. 27, 1982. ■

Vice President Interviewed on "Face the Nation" (Excerpts)

Vice President Bush was interviewed on CBS-TV's "Face the Nation" on February 13, 1983, by George Herman, CBS News; Michael Getler, The Washington Post; and Robert Pierpoint, CBS News.

Q. You have been touring through Europe talking about the question of negotiating zero-option or reduction in the intermediate-range nuclear missiles. Is it your own personal feeling that it can be accomplished, that it will be accomplished, in time to prevent the deployment of the Pershing II missiles next December?

A. We are very serious about arms reductions and about negotiation to achieve arms reduction. I can't make a prediction on exactly when it will happen, but I would say it's a distinct possibility that it will happen, because we found the alliance together; we found them sticking with the two tracks. All I know is that our negotiator, Mr. Nitze, is there saying, "Come on, let's see a good proposal," and, yes, it can happen.

Q. When you talk about a two-track system, I presume you're talking about negotiating while continuing to deploy these new weapons, the Pershing IIs?

A. Yes.

Q. That extends the time a little bit. It's going to take what, 2 years to deploy the Pershing IIs? They won't be fully deployed until sometime in 1985?

A. Yes.

Q. Although this is a serious matter, let me put it in sort of a—if you were a betting man, would you bet that all the Pershing missiles will be deployed, or do you think that there would be some agreement before the process is through?

A. I wouldn't bet one way or another, but I would say that that negotiating track, the willingness to stay at the table as long as it takes to reduce and hopefully to achieve what we want—morality and elimination of an

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entire generation of these nuclear weapons—I believe will be successful in negotiation. Can't put a time frame on it, but as I said in Europe, what goes in can come out.

If we are compelled to deploy because the Soviets are not as forthcoming as our allies would like to see them, we will continue to negotiate, but that deployment date is set, and we are not going to vacillate and pull away from it. It is firm and one thing I've found where the allies were together on that.

Q. Now that you've talked with the President about the results of your trip, you've presumably given him some judgments of your own. Can you tell us whether there is likely to be any new American initiative perhaps for some intermediate steps to break the deadlock at the Geneva arms talks, or whether the Russians must take the next step?

A. As you know from your incessant travels around Europe, our position is that they should come forward with a new and reasonable proposal. We think the proposal they made—and our allies totally agree—was unreasonable. But I have reported in confidence to the President, and he will be making a determination whether we should do something different in order to encourage the Soviets to do what we've asked. But we are not going to depart from this moral objective—ridding the world, if you will, banishing forever an entire generation of these weapons.

I have had adequate opportunity to report to him and with the Secretary of State there, and what the President will determine on this, I just don't know.

Q. When you were in Geneva, you met with the Soviet disarmament delegates. Did they give you any reason for believing that they would, in fact, ever accept this so-called zero-zero option?

A. No, they did not. I would be misleading the public if I said, out of those conversations, there was reason to be hopeful. But as you look at the equation, as you look at the capabilities of these Pershings and cruise-launch missiles, those ground-launch cruise missiles, there is every reason to feel that the Soviets would want the kinds of reductions we're talking about, but I did not get that directly from talking to the Soviet negotiators.

Q. When you talk about reductions now, you're not necessarily then going to stick to this zero-zero option, and

especially if the Soviets have made it clear to you that they won't accept that? What is the United States going to do? Is it going to be stuck on dead center, or is it going to make a compromise proposal?

A. In the first place, in terms of the proposal of eliminating this entire generation of weapons, as I went across Europe and talked to opposition leaders and talked to government officials, heads of government in every country, I never heard one argument against the zero option, except that the Soviets don't like it. The Soviets won't do it. That is not a good enough reason to depart from an objective that the alliance shares, that the peace movements ought to share if they'd put it into focus—how much better a major reduction than a freeze, for example.

Maybe there is a way, an intermediate way, to get from here to an objective that every thinking person, including the Soviets, should share, and it is that the President is considering right now, bringing home in confidence to him, suggestions from the world leaders.

Q. When do you think the President might decide whether or not this country or the Western alliance ought to do something to encourage the Soviets to go further than they have?

A. I don't know when he'd decide, but I can tell you that whatever was done, if anything, would be done in full consultation with our allies. A good thing out of this trip that I've just finished is that I think the European allies understand that we were operating in the true spirit and letter of the word consultation.

Q. One of the things that the Europeans, as you know, also are very concerned about is the question of whether there will be a summit meeting between President Reagan and the Soviet leader, Yuriy Andropov. Again, since your return, since your discussions abroad and now that you have some feeling from the President about these matters, has that been advanced at all? Is it any more likely now that there at some point is going to be a summit meeting?

A. I wouldn't say that the trip itself accelerated or decelerated the need for a summit, but if I could be permitted just a couple of seconds. It was President Reagan who said to Brezhnev: "I'd like to meet you at the United Nations on a casual basis." It was President Reagan

who has said he is prepared to go to well-prepared summits. So, in other words, we don't lift the hopes of a world desiring arms reduction only to have them dashed down because of failure to prepare.

And, as we said in Germany, which got the zero option back on focus, "I'll drop everything. I'll stop anything ongoing, go anywhere, anytime, to sign an agreement to eliminate an entire generation of weapons."

So there are three kinds of guidelines, you might say, and each of them leads to the fact that our President, under certain conditions, would be willing to meet with Mr. Andropov. Some in Europe felt he wouldn't do it at all.

Q. If I may play the devil's advocate for a moment, or the Soviet Union's advocate in this, Mr. Andropov has proposed a rather vague plan that would allow the Soviets to keep a number of missiles equivalent to the missiles—nuclear missiles—now in France and Great Britain. That does sound on the surface like a somewhat reasonable proposal, since Britain and France are America's allies. What is your answer to that?

A. Our answer is that the British and French systems—first, they're sovereign systems, and we've always been talking about U.S.-Soviet balance. Secondly, they're strategic systems, not intermediate nuclear force systems. And, thirdly, what would happen if we did that? We would be decoupling a U.S. guarantee from Europe, pulling ourselves away from our allies by that. These objectives are objectives that the Soviets have understood in the past in other negotiations, and we are not about to count the British and French systems as we reach for this moral end.

Q. But don't they have a certain justification in their view by saying that after all, whether you call them strategic or intermediate-range nuclear missiles, whether they're fired by NATO as a unit, or whether they're fired by the British and the French, Moscow is going to be just as vulnerable, just as many Soviet citizens are going to be dead?

A. Sure. And when you look at them in terms of the total deadly megatonnage of warheads, yes, they should be counted. They're a fraction—just a tiny fraction—of the full total.

But somewhere along the line, if one can

ever finally resolve the whole question of all of nuclear disarmament, yes, they should be considered, but they ought not to be injected into the intermediate nuclear force discussion when they've never been in there before, ought not to be injected as a way to forestall an objective that the entire world should welcome, getting rid of all of these weapons.

Q. Did the European leaders that you spoke to ask you if President Reagan is going to run again? Is that on their minds? And I ask this because—as a question of whether it's a factor in the Soviet negotiating strategy in arms control, whether they wait and see what Reagan does.

A. No, they didn't ask, but I'll bet you they were all very interested. We tried on this trip to stay out of European elections—elections in France, the elections in Germany. I hope I was successful, and they very tactfully did, indeed, in our consultations stay out of any discussion of election politics, but I think they're keenly interested in that. It didn't come up, though.

Q. I've been sort of fascinated by some of the—you'll pardon my saying so—high-flown rhetoric in this “banish an entire generation of weapons.” “Banish from the face of the Earth an entire class of nuclear weapons” and so forth. Does that mean that if a zero-zero option agreement was reached, that any Pershing missiles which had been built in the United States would be dismantled or destroyed?

A. Sure. If that's the kind of agreement we can reach, absolutely, and so would the SS-20s and so would the SS-4s and SS-5s. That leads you to any such agreement being verifiable, but absolutely, that is the President's—and it is high-flown rhetoric, but it's a worthy thought in a world that's troubled by this frightening nuclear threat. We want reduction, not a freeze, we want a reduction, and if the rhetoric is high-flown, fine, because we're dealing with morality here.

Q. I don't see reasonably how you can separate one class of nuclear weapons totally in negotiations from another. If you have tactical, if you have intermediate, if you have strategic, they're really all part of the question of the death of the Earth in a nuclear exchange. Are you satisfied

that progress is being made, that the Russians are seriously interested in reducing the threat of nuclear death of Earth?

A. I would think they would be, yes. I don't see how any country, especially one that's lost many soldiers, as they have in various wars, would be disinterested in reducing this threat.

Q. Are they showing it?

A. But they are not showing it, and they are being very iron-willed. Part of the reason they're not showing it is because they think they can win a propaganda battle and keep us from doing that other track—that deployment track—of the NATO decision. They've focused on public opinion; they've highlighted their positions in terms of injecting themselves into the German elections, and I think it's going to backfire on them. But, clearly, if they can have the *status quo*, where they have 1,200 intermediate nuclear force warheads and we have zero as an alliance, they would like that.

Our President and the allies—the heads of allied governments—are determined that that monopoly not continue to exist. And they have a monopoly, and that's not reasonable, and it's not conducive to peace.

Q. Let me take you from nuclear weapons to pistols, namely the confrontations that we've seen between American Marines in Lebanon and the Israeli troops and tanks there. Are you worried about the possibility of some kind of clash disturbing the peace in Lebanon, slowing the process of getting a withdrawal from that country?

A. Yes, I'm concerned about it. I'm not concerned about a clash with Marines, necessarily, but I think that event did highlight the need to get on with the withdrawal of all foreign forces. That means Syrians, that means PLO [Palestine Liberation Organization] fighters, that means the Israelis from Lebanon.

Q. What's the problem? What's holding it up?

A. There have been all kinds of things holding it up, including at one point whether a peace treaty between Lebanon and Israel was a *sine qua non*, was necessary to do this, security guarantees that one side is asking. There are several specific problems, but I think there is now a kind of a realization that we must have this withdrawal.

And the way we look at it, it's just a step. We want to see Lebanon be Lebanon, if you will, reconstituted, free, controlling its own destinies, free of foreign force. Then we want to get on with a solution to the age-old Palestinian question. Our President put forward a proposal; he's going to stick with that proposal.

Q. Philip Habib, the roving ambassador, is now back in the Middle East, and we understand that he has gone with a plan to let Lebanon be Lebanon in degrees by sending more foreign troops into Lebanon, including more Americans, perhaps doubling the amount of U.S. Marines there while the Israelis and the Syrians withdraw. Is that the case?

A. I won't go into the specifics of the plans, but I think we would do what the United States, along with others—it has to be multilateral, have to have others cooperating—is necessary to do in order to cause this separation of force, in order to help be a catalyst for getting foreign forces to a withdrawal. But the specifics, I can't give you those.

Q. Can you just tell us whether more U.S. Marines are a part of the plan?

A. No, I can't. I can't give you that, but I've read the same stories you have and all I'm saying is we want those foreign forces out. An environment with those foreign forces out would be more benign. I can't say what we will do to fulfill our part in such a withdrawal.

Q. How concerned are you over the general direction in which American-Israeli relations are going now? The incident between the Marines and the Israeli troops is something that I think the American public has just never seen before, never been exposed to. It has an edge of nastiness to it that, I think, concerns a lot of people. Is this getting out of hand? Where do you see things going in terms of the overall relationship?

A. I don't see it getting out of hand, but I share your hypothesis that it's a matter of great concern. Israel is a staunch ally. Israel is an ally for cultural and traditional and strategic reasons. There have been differences with Israel, just as we've had differences with Arab countries.

So I do worry about it, frankly. I worry about it very much, and I think the best way to facilitate an improvement of relations would be to have the kind of withdrawal from Lebanon we've

been talking about.

Q. Does the Administration think the changes in the Israeli Government and the Israeli Cabinet, the change of portfolio of Defense Minister Sharon, has any impact?

A. I'm going to fall back on an old diplomatic—not dodge, but we shouldn't talk about the internal affairs of Israel. That wouldn't be proper, how their Cabinet is made up, and it is a matter of—it's widely debated, but I just can't help you on that one.

Q. Do you think that there is a momentary disarray in the Israeli Government which could slow things down—negotiations, for example?

A. I wouldn't think it would slow down the negotiations, but I just don't know; I have to reserve on that. I don't think it will, because I think there is an urgency now, and I think Mr. Begin sees it; I know we feel that, and I know that President Gemayel in Lebanon feels that way. I hope it wouldn't slow down negotiations.

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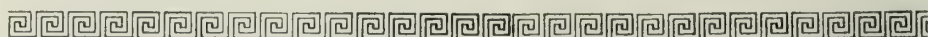
Q. Let me take you to another large, unresolved story, and, namely, whether you learned anything on your trip more about the alleged connections between the Bulgarians and the attempted assassination of the Pope, and also a second part of it, which is purely speculation but it's surfaced now, and that is that the United States may be downplaying this because it essentially would make it impossible to deal with Mr. Andropov, who is a former KGB leader.

A. We're not upplaying it or downplaying it. It's in the courts. The courts will do their job. We are very interested to see the truth come out on this matter. It's a matter of conscience. It's a matter that's shaken the entire world—these allegations—but we reserve enough fair play to say that it's in the magistrates over there, their hands. They are credible; they will do a good job, and that's as far as we go.

But the idea that we don't want the truth to come is absolute hogwash, total. I didn't get into those discussions.

Q. —the premise that if we did find something of this sort, it would make dealing with Mr. Andropov more difficult?

A. I've got to be candid. I mean, if your hypothesis is if he personally was involved, clearly, it would be difficult. The Holy Father, the Christian head of a great faith? ■



Secretary Shultz Visits Asia

Secretary Shultz departed Washington, D.C., January 29, 1983, to visit Tokyo (January 30–February 2), Beijing (February 2–6), Seoul (February 6–8), Hong Kong (February 8–10, and Tokyo (February 10). He returned to Washington on February 10. Following are the Secretary's remarks, news conferences, and toasts made on various occasions during the trip.

En Route to Tokyo

News Conference January 30, 1983¹

Q. Do you expect to be able to get a chance to have much of a discussion with Prime Minister Nakasone given the situation with the parliament in session right now?

A. —how the meeting is scheduled, and I am sure I will, and with Foreign Minister Abe.

Q. Do you anticipate that talking with them would have much if any impact on the decision which I understand is being taken this week on the defense budget?

A. Of course he will take the positions that he feels are right for Japan on his defense budget. We will discuss them, and I will tell him about developments in the United States. But, of course, he was there himself very recently, and this is kind of an extension of that visit.

Q. What are your principal goals for this visit? What would you like to

talk about? What would you like to see accomplished?

A. In a broad way, this is part of our effort to work with our friends in Asia, and on this trip I will be visiting in Japan, China, Korea, and Hong Kong. Later on this year, I will go to the ASEAN [Association of South East Asian Nations] countries foreign ministers meeting as an observer, and I believe also at approximately the same time, we will have a meeting with the Australians and New Zealanders in Washington. So we are very consciously working on our relationships in this part of the world.

It was interesting to me when I first arrived as Secretary of State, we had Lee Kwan Yew [Prime Minister of Singapore] there, and subsequently the heads of state of Indonesia and the Philippines were there, and the foreign ministers of other important countries—Thailand, Malaysia. So there is quite a lot of activity in our diplomacy toward Asia.

In response to your question, in a sense this is the first part of, I would call it, an "Asian journey." As far as this trip is concerned, obviously our relationships with Japan, China, and Korea are of central importance to us. And, broad-

ly speaking, we seek to develop those relationships, identify problems, and set in motion and consolidate processes and solve problems. There may be some specific things along the way that a contribution can be made to, but I think the objectives are basically broad ones.

Q. Do you expect to see Prince Sihanouk [of Kampuchea] in Beijing? Would you see him if he's there?

A. If he is there and if it can be worked out in terms of the scheduling, certainly, but we do not have it on the schedule as of this moment. It will just have to depend. Obviously, I am going there to visit with officials of the People's Republic of China, and everything about that will take precedence. But if he is there, I would like to see him.

Q. What do you hope to find out from the Chinese on this trip? Are there some misunderstandings that you can clear up on this occasion?

A. There are certain obvious problems, and then there are certain areas of tension that do not represent issues of principle but nevertheless are difficult. I would say something like the textile negotiations is a difficulty; it is a sort of typical trade negotiating difficulty, but it does not represent any underlying issue of principle.

The problems involving Taiwan involve basic principles and are somehow more difficult. At the same time, I hope that we can find a way to regard them as being in the background.

Our overall objective is to explore the common interest and common ground, to put problems in perspective of that overall common ground, and to emphasize the common ground and see if we can put the U.S.-China relationship on a stable, sound, developing basis.

Q. At this point, do you have any indications from the Chinese that suggest they are as eager as we are to restore the tone and the stability of our relationship?

A. I think the fact that I am going to China shows that we place great value and importance on our relationship with China. The fact that they have invited me and are ready to receive me, I think cordially with very serious substantive orientation, suggests that both sides are very serious about the visit. Beyond that we will just have to see how it goes.

Q. Do you expect to learn anything from the Chinese about the talks with the Soviet Union on this journey?

A. I will be interested in anything they will care to tell me about it and am prepared to share our own views of the evolving Soviet situation with them.

Q. How concerned are you about a rapprochement between China and the Soviet Union, or do you think that that is something that is likely to go either not very far or very, very slowly?

A. I do not know. We will have to see how that goes, and of course, it is primarily for them and the Soviet Union to work out and decide on their relationship. There are some elements of, I presume, great concern to China about Soviet behavior—for example in Asia—that are also of great concern to us. If, as a result of their discussions with the Russians, Soviet behavior changes, then I think that is a positive development, but at any rate I will be very interested in anything they have to say about that.

Q. Do you expect to find common ground with the Chinese on our efforts in arms control with the Russians?

A. I have no doubt they will be interested in our efforts in arms control, and, of course, it is clear that they do not favor an INF [intermediate-range nuclear force] result that winds up with a new number of SS-20s moving in toward Asia. We are against that also, and it is very much in our minds as we negotiate in Geneva. So I have no doubt that they will be interested in that subject, and I am prepared to discuss that with them.

Q. Is one of the purposes of your talking with the Chinese officials at this point to give the President an assessment of the new leadership in the foreign policy area? What do you expect to find when you meet the new leaders for the first time?

A. Of course, I will be meeting the Chinese leaders for the first time myself, and I look forward to that, and naturally I will gain some impressions from them. It is one thing to read what people say and analyze what they seem to be doing, and it is another thing to meet people. I do not want to act as

though I am overwhelmed by the importance of personal relationships, and yet, they do have a role when you make an assessment of the intent and outlook of people. Of course, we have a continuing stream of high-level visitors, private visitors as well as public visitors, to China and they tell me what their impressions are. So it is not as though we have no assessments of Chinese leadership; of course we do.

Q. Will you be talking to them about a possible trip by the President, let's say within a year? Is that on your agenda?

A. I think the question of exchanges of visits in general is a subject that undoubtedly will come up, but I am not going to be explicitly discussing a presidential trip. I think that would be premature.

Q. Do you hope to work out a visit by Premier Zhao to Washington?

A. He has been invited to Washington, and I am certain to ask about their response. I hope that he will be visiting Washington.

Q. Secretary Haig on his trip to China said an arrangement had been made that the Chinese would begin to think in terms of some American military equipment and were supposed to send a delegation to take a look at it. They never did. Would you expect them to put some new life into that particular exercise?

A. I think it is a question of seeing what can evolve now, and that is one area where developments might take place. There are a number of others, so it is as though I am going to say I want to promote this, I want to promote that, I want to promote something else.

On the other hand, we have interests, and they do, and if they are mutually accommodative and a visit will help, well certainly, we are prepared to see that kind of exchange develop. When you talk about the evolution and development of a strong and stable and forward moving relationship, it does not in the end come out of discussions in a high-level visit only but also in all follow-on activity that may result from that in a variety of fields. So, certainly, this is a possible area.

Q. Do you include in that the question of technology transfer which also was promised at the time of the Haig visit? I believe some new regulations were drawn up, and there has not been complete follow-through.

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A. There is no doubt that that is an important subject in our eyes, and I am sure that it will be a subject that we will discuss in some detail.

As I understand the priorities of China, certainly one that they have emphasized in their public statements, and understandably so, is their desire for modernizing their economy, and high technology is an element of such modernization. I say "an element" because at least in my observation, as an economist and as a private businessman having been involved in lots of projects in countries that are developing, the primary thrust of modernization and development—well certainly, it is not just high technology. There is a lot else, and most major projects do not involve a big element of high technology. There are other elements to that process, and I certainly would want to bring out for whatever interest there may be.

Q. Do you expect the subject of nuclear technology to come up during this visit, either in the context of exchanges between the United States and China, or the question of China's ratification of the Nonproliferation Treaty and their alleged activities in Pakistan?

A. Those are subjects that have gotten a lot of attention, and in one way or another, I'm sure they'll be talked about.

Q. What do you have to say to them on the subject?

A. I think that, on the one hand, I believe there is a great deal to be gained by the use of nuclear technology, principally in the form of nuclear power. At the same time, it seems to be appropriate for everybody in the world to be concerned about nuclear proliferation in the weapons sense, and it isn't pleasant to contemplate that kind of technology being widely dispersed and the possibility of it falling into cavalier hands. Aside from any particular thing, it's a subject of general importance. We worry about it obviously. There's an international agency that worries about it, and, I think, it's a matter for general concern. I'm sure the Chinese are equally concerned.

Q. This is not directly on the subject of this trip, but do you have any reaction to the developments in El Salvador vis-a-vis the U.S. policy toward El Salvador at this point?

A. Implementing our strategy in El Salvador and Central America is very

important to us and to those people there, and it's also difficult. The heart of the strategy is to find conditions for economic development to take place so that the poverty of the region can be alleviated and people can be better off. We know that it's difficult for that to take place when you have guerrilla warfare, insurgencies, and a general upheaval that goes with that. So the development of military strength and ability to deal with those insurgencies is important in El Salvador and in the other countries. It's a hard problem. We are dedicated to it and intend to keep helping our friends in El Salvador and other countries in the region. You take two steps forward and one step back and it seems to be that kind of a process.

I think in the perspective of a couple of years, we have made great strides. In the perspective of shorter periods, you go back and forth, and I think that the problems that we've seen recently in their military organization and governmental problems are genuine difficulties, but I think they will be overcome all right.

Q. [Inaudible] thing is taking two steps forward and one step back, now is this the one step back?

A. I don't want to characterize any particular individual or development as forward or back by inference, but it's certainly better to be arguing and working on the substance of what you should be doing than preoccupied over the process through which you're going to do it because your eye is not on the main subject. That's the point that I was making.

Q. Can you sum up at all where we stand on the Middle East after having talked all week—

A. I think in the Middle East in the last couple of months and in the somewhat longer time period, we made a fair amount of headway, most of it not generally visible. At the same time, the visible and important developments that we work for and hope for and expect have not taken place as yet.

King Hussein has yet to declare himself, and we want to see that happen. We encourage the process of bringing that about in a manner that is King Hussein's stepping forward. But more than that, stepping forward with the right kind of support from the Arab community so that the outcome of subsequent negotiations would have a sort of broad support and thereby broaden the acceptance of the peace that we hope for. All of that takes time, and I think

that considerable strides have been made, but yet we still look for King Hussein to step forward. That hasn't happened yet.

In Lebanon our objectives are clear, and so are the difficulties of attaining them. At this point there is a pretty wide gap, I would say, between the conditions that Israel feels it needs in order to withdraw and the conditions that Lebanon feels are consistent with the emergence of a new Lebanon and as sovereign and in control of its territories and able to govern itself and develop its relationships in the region. So there are some big gaps there.

The problems of securing the complete withdrawal of the Syrian and PLO [Palestine Liberation Organization] forces we have confronted, in a sense to the extent that you can confront them at the moment, that is, the Syrians say they will withdraw when the Israelis withdraw. I think we also have good grounds to believe that the PLO will go with the Syrians or will withdraw as the Syrians withdraw.

Q. [Inaudible].

A. It's for that reason, I guess, that it appears as though our efforts are more directed toward the Israeli-Lebanon dimensions than they are the Lebanon-PLO dimension because it takes a plan for Israeli withdrawal to provide the acid test of the Syrian statements. So we are in the midst of the kind of a process, and I wish I could report that there were breakthroughs in the offing. I'm sure there are, but I can't identify them [laughter].

Q. Do you believe the conditions are such that the Israelis could safely withdraw now? You say they don't seem to believe so at this point.

A. What I said was that the conditions that they have put forward are quite different from the conditions that the Lebanese seem to be ready to accept, so there is a gap there that has to be worked on by both parties. In the end, of course, people have to be their own judges of what their security demands are. But of course, we have our opinions also, and we're in with them.

Q. What is your analysis?

A. I believe there is a genuine convergence of views on finding appropriate security arrangements for southern Lebanon so that you have a real insurance policy that the geographic area doesn't become the base for attacks on

Israel. That is accepted as a legitimate objective.

So the question is what does it take to do that and how do you do that, and not whether it should be done. My own opinion is that it can be done, and it ought to be possible to do it consistent with appropriate sovereignty for Lebanon. But I am not able just to write out the ticket and hand it to people, and there is a big difference of view about what is necessary.

Beyond that are the issues surrounding so-called normalization, and that's a different kind of an issue entirely and was not part of the announced rationale for going into Lebanon in the first place but, nevertheless, is an objective. I would say from the U.S. point of view that, of course, we believe that the desirable objective is peace among Israel and all of its neighbors.

To that extent, I think the basic peace process involving not only Israel's security but the legitimate concerns and rights of the Palestinians is, in the deepest sense, at the heart of the security issues because if that can be resolved in a satisfying way, then the tension of the sort of militarily-oriented security arrangements is much less. This always takes me in my thinking back to the basic Camp David September 1st President's proposal as really the core of the issues to be resolved.

Q. There was a time when you were saying and when the people in your Department were saying over and over again that withdrawal of all foreign forces from Lebanon could be accomplished very quickly. I take it from our comments today that you would not make that statement today?

A. I would say it could have been accomplished very quickly. It could be accomplished very quickly, but it hasn't been accomplished very quickly because there have developed some very considerable differences of opinion about what is necessary in these areas that I've spoken of.

Q. Given that and the fact that you say that the disagreements are very wide, what are the next steps for the United States? What do we do tomorrow, next week, and the week after?

A. We have to constantly appraise the positions of the parties as we see them and consider them and try to figure out ways the objectives—legitimate objectives—might be met con-

sistent with the needs of the parties. In any negotiation, you are constantly doing that and that's basically what is going on. We were interested to listen to [Egyptian] President Mubarak talk about the subject. He's very concerned about it, and I must say has in both his public and private statements put a great deal of emphasis on the importance of bringing about resolutions promptly. I agree that the situation just doesn't remain constant. It's a situation in flux, and there is a great premium on trying to get things accomplished in a short space of time.

Q. But how?

A. If you have the answer I'd be delighted to know. It's obvious that we're struggling with it, and perhaps we're getting somewhere. The fact that people are talking about the problems and working at them, and in the process of doing that, assessing what the needs of each other are which always in any negotiations you're constantly appraising and struggling to see if you can find other ways of meeting the needs that are mutually satisfactory. That's the nature of a negotiation.

Q. You said some months ago that you didn't feel that your presence was needed there—you personally going to the Middle East. Do you still feel strongly about that today?

A. I think there are very able people there working with the parties in these negotiations, and I think we have an extremely strong team working on behalf of the United States and on behalf of getting the issues resolved. With our ambassadorial group out in the Middle East, it's an extremely high-quality group of people; and Maurie Draper is able, knowledgeable; and Phil Habib is also as the overall Mideast negotiator; Dick Fairbanks is involved, and in Washington a strong group, so we have a strong and well-coordinated effort going on. If a time comes when a trip by me to that region would seem to be helpful, certainly I'm ready to make it.

Q. That time has not come?

A. I'm not oriented to trips for the sake of a trip. I have been looking at my schedule, and there are plenty of trips, I can tell you.

Q. I take it from what you have said you're not one of those who think the solution is leveling the boom on Israel?

A. I don't think that forcing people to do things that they believe is against their interest produces lasting solutions to the problems. I don't think it will produce a lasting solution for Israel to force Lebanon to do something that Lebanon feels deeply is not in its interest.

By the same token, I think you apply that to any important party in a negotiation, so obviously negotiations are surrounded by an environment of pressures and considerations and arguments. I don't deem that negotiations are abstracted from that, but just trying to push people around all the time, I don't think, is the way. You might get a solution but it wouldn't necessarily be lasting.

Q. Would some kind of a summit conference with Prime Minister Begin and perhaps with the Lebanese President help at this point if the differences are so wide, so broad?

A. There are all sorts of procedural things that can be tried. I think you have to ask yourself: Is there something inherently wrong with the negotiating process that exists where there is an inability to communicate or truly understand or something like that that needs an impulse from a different direction? So far as I can see and has been reported to me, there is a good exchange of views, and the forum that exists for the negotiation is a perfectly adequate one. There is also plenty of ability to communicate at a high level directly and through Phil Habib. So it isn't as though somehow there is a stalling-out process because of a lack of communication. I'm not saying that high-level meetings aren't sometimes very useful, but I don't see the evidence that that's what is needed now.

Q. The Egyptians, perhaps including Mubarak himself, think that the Israelis are dragging out the negotiations, stalling, trying to carry them into the presidential election campaign—

A. I doubt very much that that's the case, because I think there are benefits to everybody involved to having a settlement. After all, people are still getting killed over in Lebanon, so if you can save a few lives of your countrymen, that's got to be important, and so on. So you hear that statement made. In fact, I read an interview the other day from Israeli Defense Minister Sharon in which

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he more or less explicitly said that. I don't think underneath it all that that's true.

Q. The Egyptians were also saying, and other Arabs have suggested, that there is a very narrow window to get this accomplished because there is the fact of creeping annexation or *de facto* annexation of the West Bank, and at a certain point they really won't be able to negotiate. Do you subscribe to any part of that, and how much of a window do you think there is?

A. Obviously, the more land and resources taken up by settlements, the less room for maneuver, in one sense. I think it's worth pointing out that in the presenting of his proposals, the President was explicit about his view that Jews should have the right to live on the West Bank and in Gaza. At the same time, if there were settlements existing in a geographic area that it was decided should be under some jurisdiction other than Israel's, then whoever lived in those settlements would live in the jurisdiction that was there. So in that sense, to some extent, it reduces the importance a little. Nevertheless I think there is a great deal of power to the argument that the longer time runs and the more extensive the settlements are, the more difficult it is and more futile it seems to the Arabs to conduct a negotiation, partly because of the substance, the so-called facts on the ground that are created, and partly because it appears to them to be a message about what the conceivable outcome of the negotiation might be.

Q. Let me ask a question on Japan. The Alaskan oil business, is that going to come up and the question of the value of the dollar vis-a-vis the value of the yen which some people think is the central issue in the deficit? Will you spend much time on that issue?

A. I imagine that the energy subject—I'm sure that will come up, and Alaskan oil is part of that subject. A working group is being established to look at the energy subjects more broadly, including Alaskan oil.

Of course, for oil to go from Alaska to Japan there would have to be a cachet or the taking away of the prohibition, and that would clearly involve a lot of legislative strategy and negotiation. The people who are very interested in that development—particularly the Alaskans, many of whom wonder why it should be that oil from 49 States of the

Union should be possible to go anywhere the owner of the oil wants to send it, but the oil produced in the most difficult of circumstances is restricted. But the Alaskans, certainly the Alaskan Senators particularly, I know want to see this subject move forward, and so we'll be talking about it certainly.

Your other subject was the value of the dollar and the yen. It's a very important subject, and it's a very difficult subject. It's a difficult subject analytically and then to the extent that you feel any degree of confidence in your analysis, then it's not so easy to know exactly what to do about it. But certainly the problem is there, and to me the problem is well illustrated by the difficulties of Caterpillar tractor. Here you have a company—marvelous company—very well managed, good products, extremely experienced in international trade—can't say this is a company that somehow doesn't know how to operate abroad. It has been more successful than almost any other company in the world. It's a fantastic operation—and with the surge in the value of the dollar against the yen, last year it practically knocked Caterpillar out of traditional third markets.

I suppose you would say: Well, that is somehow a reflection of long-term values, so be it. But in late May, I remember being in Japan discussing this issue with Japanese leaders, and the value was in the neighborhood of 230 yen to the dollar, and most of the people I talked to seemed to think it ought to go to 210–200 or something on that order. Two or three months later, instead of going in that direction it had gone to around 280, and that just made the relative prices of the Japanese and U.S. products totally different. There is nothing you can do about it as an American manufacturer or labor force. But now it's back to 230 again, so that we have this movement that you can only call a blip, but it had very severe consequences. There's something wrong with that. So we can see the problem.

Analytically why did that happen? If you understand why it happened, what do you do about it? I'm not settled in my own mind that I do understand how that happened. I have a feeling that the United States in its currency is seeing a kind of Switzerland-effect where the value of the dollar is being affected very powerfully by financial movements that are very different from what you would expect if you were looking purely at trade matters.

Historically, we have always thought of these values as reflecting essentially trade flows, inflation rates, and things of that kind. Interest rates have the effect, but I think there is also [inaudible] yet this quick movement of a very large magnitude, we've got to figure out a way to get a hand on that, but I don't know what that way is. I have some ideas, but I'm not ready to talk about that.

Q. Former Secretary Kissinger in an article in today's or tomorrow's whatever date this is now, *Washington Post*—Sunday anyway—makes some suggestions about your trip to China. He says that he believes that China, on this technology front, should be considered in the category of India or Yugoslavia, you know, all these regulations. Did he make that recommendation to you, and what do you think of that idea?

A. First of all, in Secretary Kissinger's very interesting, thoughtful article, he says that the Chinese always believe that nothing takes place by accident. That being the case, the Chinese must believe that his article has some official standing, and it doesn't. I don't mean by that to suggest that I'm criticizing his article. I'm just saying that it's his article, and it's an interesting article.

We'll be discussing the technology transfer issues, and I think that India-Yugoslavia comparison is a handy shorthand that people have. At the same time, I think China is a unique country, and I don't think of China as part of a class of countries, but as a country that is important and needs to be thought of in its own terms and its own right. So I wouldn't say that because we treat Yugoslavia some way, we should treat China the same way, nor vice versa. The China dimension deserves careful and special consideration. Having said that, I'm sure we'll try to work out a way of handling technology transfer that expresses the regard in which we hold our relationship with China.

Tokyo

Remarks at
Keidanren Luncheon,
February 1, 1983²

I should say that I particularly welcomed the invitation to meet with you, in part because I feel as though I am truly among friends. I have known several of you. I have done business with some of you. Of course, the Keidanren is well known for its activities. I think it is no exaggeration to say that through your efforts as a group and individually in your companies, you have rearranged the world landscape in the economic sense. Now together the United States and Japan, representing a third or so of the world's gross national product, have a responsibility for our own good and for the good of others to do everything we can to see that the system of trade and finance that stood us so well continues to flourish. But there are many problems.

Let me make a brief comment first about the scene in the United States, and then I'll make a few other comments about the significance of the trading system as I see it.

First, in the foreign policy area, I think the fundamentals of the President's policies are very clear, consistent, and constant. You expressed their essence already. First of all, let us be realistic about what is taking place around the world not only with respect to the Soviet Union but also with respect to our friends in the developing countries. Let us also start by being realistic with ourselves.

Second, let us recognize that we must be strong if we are to be able to defend our interests and to help our allies defend their interests. So the President has undertaken a major effort to strengthen our defense forces. He welcomes the attention of each country—our allies in Europe, in other parts of the world, and in Japan—to look to their own situation and decide for themselves the level of strength that's consistent with their own capacities to defend their interests and to deter aggression.

That strategy, I believe, is a winning one, and it has already changed the situation around the world. Perhaps one

example will serve. Five or six years ago, a proposal was made to the Soviet Union that negotiations be undertaken to reduce strategic armaments. That proposal was taken seriously. Now, however, the Soviet Union and the United States are at the bargaining table on intermediate-range weapons, on strategic weapons, on conventional arms in Vienna, all having to do with reductions in arms. Of course, this follows from the President's overall objective of peace, but a peace with justice, peace that allows people to undertake their own economic development as they see it in their own way.

So that is one strategy, a strategy of peace through realism, through strength, and also through the readiness always to reason and to try to find a constructive relationship.

Third, I'll talk briefly about economic matters. Here again there has been put in place a strategy, I believe. The strategy confronted the related problems of high inflation, very high interest rates, low rates of saving, relatively low rates of investment, and, thereby, lagging productivity in the American economy. The President's strategy set out to do something about those matters.

We can say at this point that the rate of inflation has come down drastically, far more rapidly than anyone thought was possible. Interest rates have also fallen very sharply, although they are tending to lag behind the decline in the rate of inflation because of the nagging concern about whether inflation might come back. But, as people in the marketplace and in the financial community become more convinced that inflation has truly been brought to heel, then particularly the long-term rates of interest will also decline.

At the same time, changes have been made in our tax system which, when combined with the reduction in inflation and the greater availability of modes of investment, yield market rates of return. Those things together are designed to stimulate the rate of savings, and we are beginning to see that that strategy is working, and the rate of savings is starting to increase.

The President introduced a new budget just yesterday. It shows a larger deficit than we would like. Nevertheless, it's true that the bulk of that deficit would be erased if the economy were to expand to a high level of operation.

I believe that the American economy

is now starting to expand. That ought to be happening according to any notion of what follows from a stimulative monetary and fiscal policy, and I believe the statistics show that expansion is now getting underway. I find that in checking around with friends of mine in the business community, I say to them:

"Well, anyone can read the statistics, but you have your hand on the marketplace. You have your hand on what is going on. How does it feel?" And for many months during the year 1982, they told me it feels very cool. But more recently, in the last month or two, the word I have been getting is that there are definite signs of life there, so that the feel of the marketplace is healthier.

At this point, as expansion takes place, there have been tremendous cost savings brought about throughout American business, and as expansion takes place, I think we will see costs kept under control. We'll see productivity rise, and the stage will be set for a movement in investment that is a necessary part of this whole strategy.

Basically, the point that I want to make here, as in the area of foreign policy, is that there is a strategy, it has been thought through, it has been put in place, and it's a struggle, of course. But it is beginning to work.

Now let me turn finally to the question of our trading system. Certainly, I don't have to belabor the point with this group that it's critical for all of us that this system maintain its health. I would say, first of all, around the world there is a widespread view that in many critical areas, the Japanese market has not been truly open to competition from abroad. You've heard that a great deal. It is not a reference to high tariffs. It's a reference to nontariff barriers of various kinds.

Since Japan has been such a successful exporter, this allegation—in which, I believe there is considerable foundation and fact—constitutes a major question of concern, and I have been personally very glad to see the moves undertaken by Prime Minister Nakasone. I feel certain that he means them: to take further steps in opening up this marketplace. I believe further steps are necessary.

The thing that has been most striking to me in talking to him and talking to people in other ministries, particularly the Ministry of International Trade and Industry, of course, is the sense that one feels a commitment to follow through on these general policy statements. We all know, as businessmen and as managers, that a policy stated at the top doesn't

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mean much unless you are prepared to take the managerial steps necessary to make it operational throughout the company or throughout the government. So this commitment to follow through is a matter of tremendous importance.

I think that the year or so immediately ahead of us is a critical one in the battle to keep the forces of protection under control and to maintain a reasonable openness in the trading system. We all need to do everything we can to see that particularly statutory changes that are very difficult to get rid of once they get in place don't come about. Right now, for example, in the United States, we have unemployment close to 11%, and it's high in other parts of the world. The psychology will be very different a year or so from now if the expansion that, I think, is getting underway actually does take place. This is because it will bring fairly rapid increases in employment, even though, no doubt, the rate of unemployment will be rather stubborn. The whole psychology is mightily affected by what happens to the opportunities for jobs. When employment is rising, the American economy is a tremendous job producer. Once this starts rolling, it will affect the psychology. So we have a tough year ahead of us, and I believe that together the United States and Japan must take the leadership in this great battle to keep our systems open ones.

News Conference, February 1, 1983³

Q. I would like to ask the Secretary for his evaluation of our Prime Minister's recent visit to the United States. How do the leaders and members of the U.S. Government, such as President Reagan himself, yourself, and Secretary Weinberger evaluate his visit? We have received various reports from the United States, but, if I may, I would like to hear your evaluation or impression directly.

A. Prime Minister Nakasone's visit to the United States was a tremendous success. He made a strong impression on the President, the members of the Cabinet, the Members of Congress, and all who met him as a very well-informed, decisive, and strong person. He was accompanied by Foreign Minister Abe, who also was very impressive during his visit, and we were delighted to see them

and look forward to continuing opportunities, such as my visit here now, to continue our discussions and work with them.

Q. When we look at the budget message covering fiscal year 1984 and the defense report issued recently, a tremendous amount of funds is allocated to the defense area. Also there is a matter of collective defense with European countries, South Korea, and Japan. Against this background, the "Team Spirit" military exercise is starting today. North Korea has reacted to this by calling for a state-of-readiness on the part of all its forces. It is the first time North Korea has called for a state-of-readiness of its forces and is treating the situation as if war is on the brink of breaking out. What sort of comment would you make to this situation?

The second point concerns the defense of the sea-lanes by Japan. In connection with this ramification of collective defense, we are very much interested and very much concerned with the sea-lanes defense matter. In this connection, to what level and extent do you think Japan's defense capabilities should be enhanced to meet the expectations that Japan faces from other countries? What do you think would be a reasonable level of defense capability on the part of Japan to discharge its responsibility compared to the present level?

A. With respect to the first question, people throughout the world are interested in peace. The United States and its allies will start no wars. Our efforts to build up our defense forces are efforts to create the capacity to deter aggression. That is our objective. And if our opposition can be convinced of that, perhaps they will even agree with us to reduce the level of armaments. But we know that we must have the strength to defend our interests against aggression and to work with our allies in doing so as well. I think that is the basic point, and it applies whether we are thinking with respect to the Soviet Union, North Korea, what is happening in Kampuchea or throughout the world.

With respect to the second question, Japan has set for itself the mission of being responsible for the defense of the air space of Japan and for the seas around Japan. And I think that is a very appropriate mission, given the fact that

Japan is obviously a seafaring nation and depends upon air and sea traffic and movement. It is clear that to fulfill responsibilities in connection with that mission, more needs to be done. How much more remains to be seen. But certainly a greater effort is necessary. And no one disputes that. The question is, how rapidly can this mission be taken up? We applaud the determination that Prime Minister Nakasone has been expressing in this regard.

Q. With regard to the possible transfer of SS-20 missiles from the Soviet Union's European territory to the Far East, Japan has expressed apprehensions. I would like to ask whether you, or in your talks with the Japanese side jointly, have any plans of involving China in the discussion of what to do concerning such Soviet plans, if they should materialize?

A. The President's proposals being negotiated in Geneva are for the complete elimination of intermediate-range, nuclear warhead, land-based missiles, as the President put it last night, "from the face of the Earth." That is not only within the range of Europe but also Japan and China. That is the proposal that the President has put on the table.

I think it should be noted that this involves not only the question of what to do about missiles that might be moved from the range of Europe but also what to do about the missiles already deployed within the range of Japan and China.

Q. Looking at relations between Japan and the United States recently, it seems that trade friction has become less important since Prime Minister Nakasone assumed power. Is it correct to say that the two countries decided to solve at least part of the trade friction problem through exchange of military technology or through an improvement of Japanese expenditures for defense? What are the trade problems which are still to be discussed and which you have been discussing with Japanese leaders in these days?

A. There is no trade-off between an exchange of military technology and the solution of so-called trade frictions involving access to Japanese markets or other such things. These are independent matters.

Of course, we were all pleased—the President was pleased—at the announcements that Prime Minister Nakasone made before he came to the United States for some additional

measures, particularly measures dealing with the processes through which goods from another country get into the Japanese market and for changing those conditions of inspection and registration and so on. And it has been interesting and reassuring to hear also the sense in which the Japanese in charge have a good sense of the fact that it is not enough to set a policy. There has to be a kind of managerial follow-through to transform a policy statement into an operating reality.

There appears to be a firm grasp of that point and, at least expressed to me, a determination to follow through on it. That will, of course, not be the end of all these frictions, but it will be a great help.

I might say beyond the particulars of whatever trade disputes there are between the United States and Japan, we share a tremendous stake in maintaining the general openness of the world trading system. And that the openness is under severe attack by forces of protectionism around the world. I think that it well behooves Japan and the United States together, and along with other countries, to, in a sense, take responsibility for keeping this system open and healthy, because we both have so much to gain as do others around the world.

Q. [There have been] numerous published reports on both sides of the Pacific that Ambassador Mansfield is leaving shortly and that the Administration intends to replace—would you care to comment on that?

A. I think Ambassador Mansfield is one of our most distinguished Americans, and we intend to keep him on the job [laughter]. He looks great. I would add just a word on that.

Japan is one of the world's most important countries. And so, when it comes to selecting a person from the United States to represent us here, we have to find for ourselves a really distinguished American. I believe that we are very fortunate in the United States to have such a person here in the person of Mike Mansfield. It's good for the United States, and I can't help but feel that the Japanese people also appreciate the high quality that this wonderful man brings to his work.

Q. When you talk about the defense of the sea-lanes, the starting point is the Middle East and the ending point is in Japan, from my point of

view. The United States guarantees the security of Israel, but the crux of the issue, I think, is Palestine and the Palestinian people. And so without providing a solution to that issue, an overall solution could not be hoped for. I would like to ask when the United States is going to sit at the table with the PLO.

A. I think the central issue you correctly state as "finding the conditions in the Middle East that will, at once, satisfy the security needs of Israel and the legitimate rights of the Palestinian people." The President on September 1st proposed a set of ideas which we called a "fresh start" in working on this process. These ideas fall squarely within the framework of the Camp David accords, which have produced progress with the return of the Sinai and peace between Israel and Egypt. We believe it's essential to pursue this course, and we are trying. The President is trying everything that he can to bring about the discussions that will satisfy the conditions I have mentioned.

As far as the PLO is concerned, the President has stated very clearly the conditions under which the U.S. Government would talk directly with the PLO. Remembering that the PLO is an organization that has in its charter a provision calling for the extinction of the State of Israel, we believe it's appropriate, that before we will hold discussions with the PLO, they simply renounce that and say they recognize Israel's right to exist and the formulas for peace embodied in U.N. Resolutions 242 and 338 as a basis for proceeding in the Middle East. When they do that, the U.S. Government will be ready to sit down and talk with them.

Q. In response to an earlier question, you pointed out that the President's proposal in Geneva calls for the elimination of all of the medium-range missiles wherever they may be. The President has also said he would entertain any serious Soviet offer. Some months ago the U.S. negotiator, Mr. Nitze, seriously considered and talked with his Soviet counterpart about a proposal that would leave at least 90 SS-20s in Asia. Were you able, in your talks here, to tell the Japanese Government that under no circumstances would the United States be willing to make an agreement which leaves medium-range missiles in Asia? And can you so state here today?

A. The President has said, first, he favors and has proposed to the Soviet Union that all of these weapons, where ever deployed, be eliminated. That is the U.S. position.

He has also said we are willing to listen and talk to them about any reasonable proposal. If they have a proposal to make as a counter to what the United States has said, let's hear it; we'll examine it. So far we haven't heard any proposal that qualifies under the terms that I just mentioned. The negotiations are resuming in Geneva now, and the place to conduct those negotiations is at Geneva at the bargaining table.

I would like to just take this public occasion to express my appreciation to my hosts here in Japan for the extraordinary warmth and courtesy of the reception that I, my wife, and my party have received. Respect for the United States was shown by the fact that we were received by the Emperor and in our discussions with the Prime Minister, the Foreign Minister—my host—and all the other people, private and public. The treatment that I have received has been cordial and generous, and the approach to our discussions a very serious and informed one. And I appreciate this spirit very much.



En Route to Beijing

News Conference,
February 2, 1983⁴

Q. Are you going to speak just in general terms?

A. No, I think general terms is the appropriate level, and just leave it at that. I am not here selling arms.

Q. How important is it to the whole U.S.-China relationship in your mind to try to establish some sort of a military sales relationship between the two countries?

A. I think the relationship has to be seen as a broad one that in a sense is responsive to the needs that each country has both in bilateral and in international terms. So as time goes along needs rise and fall, and we have to be ready to look at them. That doesn't mean that everything anybody wants on either side will necessarily be accom-

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modated. But I think that is the spirit we ought to approach this relationship in.

Q. Are you anticipating any requests to come soon or is there any reason to believe that—

A. I don't want to try to predict what they may say or want, but I am certainly prepared to respond to anything that they want to bring up in this area. Of course, if it came to particulars, that is a matter that is best handled by the various military people.

Q. So you say you are prepared to respond, prepared to give an indication that the United States is favorably inclined toward that kind of exchange?

A. We are certainly prepared to discuss what needs they may have within the framework of earlier discussions, which essentially emphasized defensive problems and on which nothing much has happened. So maybe there isn't anything in anybody's mind, but if there is why then—

Q. One of the main developments since Secretary Haig was over here in June of 1981 is that the Chinese have now carved out what they have referred to as an independent foreign policy. What is the U.S. attitude and what is yours? What are you prepared to tell them about our views of the independent foreign policy that they have carved out for themselves?

A. I assume any country of the—well, probably any country but particularly a country of the size and importance of China or the United States, will have an independent foreign policy in the sense that you have to be guided by the things that you think are in the interests of your country. I think it is quite apparent in the kind of world that we live in that alliances and the identification of common needs and objectives among countries are an essential part of an effective foreign policy. So to that regard, we have alliances and have identified common interests with a number of countries, and I assume obviously there are some with respect to China. I would expect that we would have some discussion of those things, but that doesn't compromise anyone's independence.

Q. Of course, the way the independent foreign policy is actually worked is that they have gone on the

attack more against the United States in areas that they don't like—the Third World, Africa, Middle East, and that sort of thing.

A. In some cases, perhaps in all cases, what those comments reflect are a misunderstanding and to the extent that is so, perhaps my visit can correct some of those misunderstandings, or at least we can talk out what our differences are.

You mentioned the Middle East. I am certainly prepared to talk about our policies, objectives, how we see the Middle East situation, and listen to what they have to say. We can discuss that, and I can explain some of our perceptions of what is going on and so on around the world.

Q. To what extent do you expect to find the same or greater level of anxiety as you found in Japan over the present deployment of SS-20s in Asia and future deployment of them as they relate to INF talks?

A. As in Japan, I am certainly ready to discuss the issues involved in our arms control negotiations. Again, it is not for me to try to predict what they are going to bring up or what their concerns are. But I am ready to talk about our view of the matter and our position and listen to their views and concerns whatever they may be. I can't help but believe that if there are some 99, I understand, SS-20s that have China within their range that that isn't a matter of some concern. But at any rate, it is for them to express their concerns.

Q. You haven't any indication going in that they are particularly worried about some kind of a deal whereby another hundred might show up on the eastern side of the Urals?

A. They have not sent me any telegram saying that, no.

Q. Didn't they put out a statement yesterday saying that there is so much commotion on the issue, they don't think there is going to be an agreement anyway? I saw something on the wire about that.

A. Everyone is free to express their opinion. In the meantime, the missiles are there, and whether there is an agreement or not, at present the missiles are there. If there is no agreement, we will have some deployments. We continue to believe that the best arrangement for everybody concerned, including the Soviet Union, is to eliminate these weapons.

Q. Do you think the fact that the President has now said that Mr. Bush's mission was mainly for propaganda purposes is going to make your discussions on the SS-20s more difficult with China?

A. I think you have put that in a provocative way. We are, both the Vice President and I, in separate parts of the world discussing issues of substance and talking with leaders in the various countries being visited, and the Vice President is making some public statements. They are substantive and designed to tell everybody as clearly as we can what our positions are and why they are what they are and to express those. If you want to call that propaganda, that is fine, but I think that the public in Europe and everywhere around the world is interested in knowing our viewpoints.

Q. But, I mean, I didn't call it that. I believe it was the President who said that, if I read the wires correctly.

A. I think my statement still stands. You are trying to inform the public, and that is a shorthand way of expressing it, I suppose.

Q. Is that simply a response to the Soviet propaganda offensive?

A. No, we have done that right along. The Vice President's trip actually had been planned, thought out, quite some time ago. The drama of the trip seemed to be enhanced by its immediate environment. And I think if I may on that, that obviously the President recognized as the timing of the trip was being worked out and so on, that this was an important mission at a time when the whole question of arms reduction negotiations and deployments are being debated in Europe to have a person of the Vice President's stature as a person, as well as his official stature, go over and enter the debate.

Q. The Polish Foreign Minister put out a statement, whose words I don't have, but in effect calls on the United States for improvement in relations with Poland following the changes made in December in martial law. The statement seems to suggest that he would be interested in at least opening some exchange on what needs to be done to restore relations. Do you see any opportunity for that at this time, and have you seen enough happen in Poland to justify a change in U.S. relations with the government there?

A. We have been evaluating, along with our allies, the developments in Poland. Some seem to be a step forward and some seem to be a step backward, so I think it is rather an ambiguous question whether or not there has been any genuine movement. Lech Walesa is out of jail but yet he is constrained clearly in a great many ways, so that is just an example of something. Obviously we would like to see progress in Poland along the lines of the points we and our allies have made. If there are opportunities for those developments to take place, we are all for that. And that would mean that our relationship would be better.

Q. But you haven't seen anything yet, I take it, that would justify a change soon in U.S. attitude toward the Polish Government?

A. No, not that I know of, although maybe you have something off the wires that I haven't seen.

Q. No, it was a reference to the Pope's visit that suggested that propaganda—

Q. What about the North Korean situation? Some people say that they have only done such an alert three times in their history and each time it was involved with the Pueblo or the killing of those two Americans. Anybody worried about it?

A. It is something to watch. But I don't know of any good reason for it.

Q. Do you think it is provocative on their part?

A. Certainly it is provocative on their part. It raises the level of tensions, but I don't know of any reason to expect some particular explosion there.

Q. Would you tell us something about your own experience with China and Taiwan? I know you have never been to China. You have been to Taiwan on several occasions, I gather, as a businessman. Have you talked to the Chinese, either in business or in your Treasury job or in some other capacity? What has been your own interaction with China up to now, up until today?

A. I have met a number of Chinese officials as they would come through San Francisco when I [inaudible], and I met some during the Nixon Administration when I was in office but never had the opportunity to go to China. I almost went a number of times as a private businessman, but the projects we were interested in never seemed to be quite

materializing, so in the end I did not go. But there have been quite a number of people—some in the financial field, some in the engineering area that have come through—that I have talked to. Very, very able people.

Q. How many times were you in Taiwan?

A. I do not know exactly. I would have to—

Q. Just about? A dozen times, three or four?

A. Probably four times or so. I am just guessing.

Q. As a businessman?

A. Yes, all together as a businessman.

Q. Are you concerned that the Chinese are providing nuclear weapons data to Pakistan?

A. I do not have any comment to make about that matter.

Q. Has any nuclear cooperation been completely ruled out now? It was at one point being investigated, and I think Mr. Stoessel [former Under Secretary for Political Affairs] at one point talked about their hopes for nuclear cooperation with the Chinese. Is that now completely dead?

A. There were some discussions basically having to do with nuclear power plants, I believe, and the possible interests of the Chinese in the American [inaudible], and it may very well be that those talks can resume. But we have regulations that our government administers having to do with the conditions under which nuclear technology can be sold abroad. And so if those discussions do reemerge, we will need to sort of focus on the issues brought up by those regulations.

Q. Have you seen the entire text of the Bush speech on the Andropov-Reagan summit? But I was wondering if there is some implication there that the President would meet with Andropov for some element of negotiation or they would simply meet to ratify a deal that was negotiated in Geneva?

A. The statement in the letter—the open letter—that the President wrote was confined to a particular matter, namely that he would go anywhere to sign an agreement abolishing intermediate-range nuclear powered, nuclear warhead, land-based missiles from the face of the Earth. That was

what he said. So that is a statement of what we would be willing to do on that particular matter. It does not infer or preclude anything else. It was a highly specified proposition.

Q. Is there any justification for the Chinese claim that we have been too slow to supply technology either [inaudible] they say that they get agreements from us or statements from us that the Commerce Department or the Defense Department slows it all down. Have you been able to look into that? Do you think maybe something could be done about it?

A. I have looked into it. The process of approval is always laborious, I think, in any government. There has been, in fact, quite a lot of action, in the sense that a great many requests have been approved. And that number has grown. The level of pending cases has been declining a little bit lately is my information. And there are a number of efforts underway to address, you might say, the efficiency of the process through which requests are made and acted upon, not only with respect to China but other countries as well.

It is a difficult matter at best to administer an export control type of program because the more difficult cases almost, by their nature, tend to be—you have to handle them case-by-case. They tend to be things in relatively new areas so you are constantly looking at the edges of whatever procedures and criteria you have set up.

Q. Are you going to give the Chinese leadership any reassurances that this new process of looking at the efficiency is going to produce a little more for them? Are you going to give them any more reassurances that there might be more in the pipeline coming?

A. I am a believer that you have to be very careful when you make commitments or assurances or whatever you want to call them. The one commitment that I want to call attention to is the commitment to keep our commitment, and there have been a great many made as I have studied the history of this relationship. I think that is about as far as I would want to go.

The speed with which a given application to buy something or other can be acted upon, I think, would take a courageous person to make a flat commitment that I can guarantee you that within X number of weeks, any application that is made is going to be acted upon. Nobody who has observed the difficulties of these cases would make a

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statement like that because you cannot keep it. They are difficult problems.

Q. How do you see the American strategic relationship with China? Others in the past have talked about how China and Japan and the United States now for the first time have joined strategic outlooks. There has been a kind of chill in the relationship, I guess, as China seems to have altered its posture a bit. I just wonder how you see our strategic relationship now.

A. Of course, this is one of the matters I want to explore in my discussions in China, and it kind of brings us back to the first question that was asked. I suppose another way of putting it is that I would like to explore and try to identify the areas where our interests are in parallel. If that adds up to something that you would put the word strategic on, so be it. It may or it may not. But certainly in the broad interplay of power and influence around the world, the influence and impact of China is an important one, and we need to understand it and hope that they can be brought to understand ours. Where it is possible to work in a parallel way, I think we will benefit from that and so will they. That is the way I would phrase it.

Q. Do you have an overall word to characterize your attitude toward this relationship? Would you use the word realism?

A. Realism is always a good word. But I think that as I analyze the situation, realism should lead to activities that are worthwhile from the standpoint of both countries. So I think I go well beyond realism to the implication of the fact that there are a lot of parallel interests and realism about them will lead us into some constructive elements in our relationship.

Q. Back to the SS-20 question for a second. The Chinese obviously are not even a U.S. ally, yet they are very much affected by what goes on in Geneva. First of all, have we kept them abreast of what's been going on there? Second of all, are you prepared to give them the same sort of commitment that you gave the Japanese?

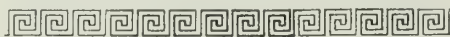
A. I am sure that they are generally aware of what is taking place in Geneva. As far as our negotiating stance is concerned, the President's proposal is one that would be helpful in Asia without a doubt because it calls for the elimination

of the SS-20s that hold eight Asian countries within their range. I think this question of our stance in the negotiation has come up particularly with the Andropov proposal that seemed to envisage moving missiles from the European arena to the Asian arena, and that is certainly one of the things that is wrong with that proposal. If it does anything for Europe, it does it at the expense of Asia.

Having a global outlook as we do and must, that is one of the reasons why that proposal is unacceptable to us. I think it must be unacceptable to the Europeans as well because among other things missiles that can be moved in one direction can be moved back in the other. If you are really going to get anywhere, you have to destroy the weapons in the first place.

Q. Don't some of the Chinese nuclear weapons qualify as intermediate-range inasmuch as they are pointed at the Soviet Union and that is about as far as they can go? Isn't that some of the reason for the 90 odd SS-20s there? Doesn't that obviously become a factor?

A. It may be a factor, but nevertheless I think from our standpoint, we have to think of Asia as a whole. I think the proposals that the President has made are very constructive ones.



Beijing

**Toast,
February 2, 1983⁵**

Foreign Minister Wu, distinguished guests, thank you for your kind remarks. On behalf of all the members of my party, permit me to express my appreciation for the warm welcome and the gracious hospitality you have lavished upon us. After a long period of anticipation and preparation, it is a great pleasure to be your guests in this magnificent city and to feel we are among friends.

Our two great nations are both known around the world for the enormous wealth of human and material resources that lie within our borders, for what we have been able to do with our own resources and our own efforts, and for our strong belief in national independence. But it is also a fact that in

this modern world even the strongest and most independent nations cannot live in isolation. I am struck by the statement of General Secretary Hu Yaobang in his recent report to your 12th party congress that "China's future is closely bound up with that of the world as a whole." "Being internationalist," he said, "we are deeply aware that China's interests cannot be fully realized in separation from the overall interests of mankind."

President Reagan shares these views and so do I. Over and over again during the course of my duties as Secretary of State, I am daily reminded that the fates of all nations—rich and poor, large and small—are closely linked. The actions we take often have repercussions for others. And the behavior of others—wherever on Earth, wise or foolish, peaceful or aggressive—cannot but have consequences and implications for us all.

The United States and China are major actors in this complex and interrelated world. Together your government and ours, sharing many parallel interests, have great potential for influencing positively the course of world events. Indeed, it is our mutual responsibility to do all that is in our power to promote peace and progress.

Over a decade ago, recognizing this interdependence to which I have referred, our governments set out to build a strong and lasting friendship between our peoples. I am proud to say that I was a member of the President's Cabinet at the time of this historic development. Since then, farsighted and courageous leaders in both our nations have steadily broadened and deepened the relationship. We continue to appreciate and to be guided by that spirit. Our discussions in the next several days will reflect past accomplishments, current realities, and hopes for the future.

Before I left Washington, President Reagan asked me to reiterate his strong personal commitment to the advancement of U.S.-China relations, in the interest of both our peoples and for the benefit of all mankind. He believes there is a great need for renewal in the U.S.-China dialogue—a need for discussion and enhanced mutual understanding on a host of international and bilateral matters. There is much to be done to advance the U.S.-China relationship and to promote peaceful progress everywhere.

As we assemble to contemplate the road ahead, we are acutely aware of the challenges to world peace and prosperity that lie outside our frontiers.

- The troubled international economy has thrown new obstacles in the way of the efforts of all countries to achieve a more hopeful future, but I am glad to report that the economy of the United States is now expanding once again, a development that will help the world economy to recover.

- The dangers of nuclear war and nuclear proliferation concern people everywhere and must be among the foremost concerns of their leaders.

- From Kampuchea and Afghanistan to Africa and the Middle East, there are major threats to peace and the just aspirations of mankind that cannot be ignored.

The dialogue that we advance here in Beijing this week on these and other issues is testimony to the importance of a strong and lasting U.S.-China relationship in confronting the economic and strategic challenges that threaten the well-being of all. But our dialogue is testimony to bright hopes, as well as challenges. In recent years, thousands of students from your country have studied and are studying at American universities. Our young people, tourists, academics, and businessmen are studying, traveling, and investing in China in ever-increasing numbers. We are pleased to have a role in the ambitious course of economic modernization on which you have embarked. The intelligence, skills, and dynamism of both our peoples, which have already given so much to the world, offer us infinite possibilities to learn and benefit from each other.

The challenges and opportunities are great. The agenda is full. I look forward to my talks with you and other Chinese leaders in the days ahead. As long as both sides approach these tales in the serious, constructive, responsible manner which the international situation merits and which our predecessors have always brought to the table, our discussions will succeed.

In this spirit, I should like to propose a toast to your health, Mr. Minister; to the health of the Chinese leadership and all those present here tonight; and to the friendship and cooperation between the peoples and governments of our two countries.
Gansei.

Remarks to the American Business Community, February 3, 1983⁶

I welcome and appreciate your introduction and may not necessarily associate myself with everything you said. I am pleased to have a chance to meet with the American business people here. I always felt, as a businessman, that my activities were a good representative of my country and wanted them to be conducted that way, and I am sure you feel the same.

I am pleased to see my friend Mike Birely with whom I worked back in the good old days when I was a private businessman in this part of the world. And I'm also glad to meet some new friends here.

I understand that I am a pioneer in the sense of being the first Secretary of State to address this unofficial American community in Beijing since normalization. But as I was suggesting, you're the true pioneers. It is so heartening for a traveling American to see in action this pioneering spirit for which we as a people are justly famous. Perhaps it is our passion for building, our eagerness to create that is good and useful. This is a saga of American development, and it is also the spirit that finds you in this fascinating part of the world.

I might just say back in early 1970, I came first to Asia, to Japan, then to other parts of Asia at the instruction of then President Nixon. He told me before I started that trip that I should get out and understand Asia, that if you don't understand Asia, you will not understand the future, and I do believe that a great deal of the future of the world is here.

At any rate, it is your work as much as anyone's that is planting the seeds and feeding the roots of a vital international relationship. It offers so much potential benefits to America, to China, to the region, and to the world. You are here on the ground floor developing U.S.-China relations. You are also here at an exciting stage of China's own internal development, as China's present leaders chart a course of modernization trying to carry the Chinese people into a more advanced technologically oriented future. We have much experience to share with the Chinese; a great deal to contribute to their modernization efforts.

I want to tell you today that we fully understand, we fully unhesitatingly support the Chinese in their ambitious modernization goals. A stable, secure, economically healthy China, participating actively and constructively in the mainstream of the international economic system, is in the best interest of the United States, the East Asian region, and of world peace.

We have done much in this Administration to give substance to our good intentions. President Reagan has issued a directive substantially increasing the level of technology to be routinely approved for sale to China, reflecting our intent to treat China as a friendly, nonallied state. The President has suspended the prohibition on arms sales to China embodied in our arms control legislation, permitting consideration on a case-by-case basis. A request to export munitions list articles to China is the procedure we follow with all friendly countries.

The President has launched a process with the Congress to amend those laws that treat China in the same manner as the Soviet Union and its satellites to make clear that we do not consider China as an adversary and will remove legal impediments to this cooperation.

As with any young relationship, we must expect a certain amount of growing pains. It is easy to pinpoint trouble spots. We referred to it here. Trade is among them. We have heard much in recent weeks of difficult textile negotiation breakdowns in the negotiating process, of unilateral quota restrictions, retaliatory measures, and so on. Let me not dismiss their importance out of hand. But let us neither get so bogged down in bilateral arguments so as not to see and understand how far we have come in so brief a period of time.

China is now the 14th largest trading partner of the United States; also the fourth largest market for American agricultural products. The very success of the economic and trade relationship brings with it difficult issues and problems, but we welcome these problems because they attest to the growing complexity of our relations and interactions. We will resolve them, fairly and equitably for both sides.

We have already set in place institutions to deal with these increasingly complex economic relations. In December the Finance Minister, Wang Bingqian, led a Chinese delegation to the third annual U.S.-China joint economic committee, which was set up at the time of Chairman Deng Xiaoping's visit to the

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United States in 1979, to discuss economic issues of mutual interest to China and the United States. [Treasury] Secretary Regan led the U.S. delegation in a series of meetings that were positive, constructive, and frank. I might say beyond that that the Chinese Finance Minister [inaudible] around town very well and made a very strong and positive impression on everyone.

Working groups were devoted to such areas as investment, and finance, trade, and tax issues. We raised with the Chinese such problems of import to you as the need to identify potential projects with [inaudible] to complete the legislative framework needed to protect investor rights and promote investor confidence, the need for a patent law, the need for better working conditions for U.S. businesses in China, mechanisms for dispute resolutions, and the need to streamline the approval process for investment in China. All bureaucracies need to be streamlined. It's a constant of life worldwide, let me tell you. We will continue to give high priority to these issues of the American business community.

Secretary of Commerce Baldrige will be leading the American delegation to the first session of the joint commission on commerce and trade to be held here in Beijing in May. We expect to be able to announce other official delegations moving in both directions during the course of the present year. I need not tell you that we have steered through some rough stretches during the past year in U.S.-China relations. I think both sides have navigated successfully and are out in the clear again.

My presence here in Beijing today is a good indication that both sides recognize the potential benefits of good relations and are committed to advancing them. I am very pleased with the manner in which our talks with the Chinese are proceeding this week. They are serious, constructive, and wide-ranging. With goodwill, cooperation, and sense of purpose that both sides bring to the cause of advancing the relationship, there is much we can and will accomplish. You are fortunate to be here in the early stages, and at least in my judgment, the future does well for the U.S.-China relationship.

I will be glad to respond to your questions, although as I said to some of you before lunch, I don't intend to conduct my negotiations with the Chinese through you. There is a tendency on everyone's part to ask me questions that

I think are more appropriately dealt with directly. So if I am not totally responsive always, you'll understand.

Q. What is the potential for resolution of the Taiwan issue?

A. The communique was signed with knowledge and good intent. It is the intention and the responsibility and the obligation of the U.S. Government to meet the commitments undertaken in that communique.

Q. What steps can be taken on behalf of the U.S. business community in China to persuade the Chinese to make equal opportunity for living and working space available to U.S. businessmen?

A. This is a problem, one that we will address. It is true that arrangements for living in the United States and China are unidentical, so that we have to struggle. I might say that's a fact of life we have to struggle with. I might say on the question of trade and mutual benefit, it is my understanding that trade never takes place unless there is mutual benefit. Why should it? Nobody will make a trade unless they are going to benefit by it. And the reason why trade is so munificent in its benefits to the world at large is because it's not a zero sum game; it's always a plus sum game. Everybody benefits from trade by definition. I assume that you are here as representatives of American businesses because you think you will benefit from this trade. And if you didn't think so, you wouldn't be here.

Q. Can we expect a more liberal export control system to be introduced to alleviate this particular barrier?

A. This is a difficult subject—as between the United States and all of its trading partners because we do have export controls, and in the administration of them here are sometimes difficult issues of interpretation and that tends to prolong consideration of certain given items. On the other hand, my review of this subject shows me that the number of applications for export licenses have grown at a very rapid rate over the last 4 years and that the number of pending applications in a given year—have in the last 2 years been falling somewhat.

I recognize that the process of getting an application approved is always one that the people making the application find difficulty with, but, nevertheless, the record is one of an increasing number of applications with a large

number of approvals and of a falling rate of pending cases. That doesn't mean that there aren't problems. Sometimes the problems are created by you. That is, if it is known that here is a given piece of technology that can receive approval but that there are aspects of it that are unlikely to receive approval, we find occasionally that businesses will go ahead and [inaudible] now it falls outside the guidelines, even make a financial commitment and then come in and argue, "Gosh, we made this financial commitment, now you've got to approve it." Buddy, that's your problem when you do that. Don't complain to the government.

On the other hand, we do seek a fair, proper, and efficient system, within the constraints of what any properly operating bureaucratic arrangement can produce. Obviously, to consider a given application, there are many points of view, and they have to have their chance to speak their piece. It isn't necessarily instantaneous. Whether or not work can be done in the field of advanced consultation, I don't know. It remains to be seen. It is always a somewhat touchy area for government, but that is a possible way that might space around some of the difficult areas. Although it may be better to leave things as they are so that basically you make an application and we act on the application after we've got it. That I think, in many ways, is a safer proposition, and it may be helpful to be able to get some informal advice.

Q. Why is it that we cannot get a license out of the U.S. Government when the Japanese and West European competition can get an equivalent license in a relatively short time?

A. Maybe they are just better. Why don't you move to Japan or Western Europe?

Q. What kinds of steps are being taken to ameliorate the Chinese reduction of U.S. grain and other agricultural commodities?

A. Of course, we stand ready to resume the textile negotiations but basically we have to represent the U.S. interests and the Chinese have to represent their interests as they see them. And we can discuss problems as we are doing, and those are the sorts of things that are being done.

Q. What can we expect in terms of negotiations or policy change to permit American companies to compete in the nuclear power generation field?

A. The question carries the implication, as most of your questions do, that there is something wrong with the United States. Our regulations are based on a deep concern about the problems of proliferation of nuclear-weapons technology. That is a legitimate problem. So we seek to convince others to also worry about the problem of nonproliferation. It may be that you will be able to work out some appropriate arrangement with the Chinese in this regard. After all they are very knowledgeable about nuclear technology to begin with. So I would just leave it at that, at the same time noting to you that the problem of proliferation is a distinct problem. I think the question suggests in a rather cavalier fashion that you brush it off; I don't brush it off.

Q. Can we expect the U.S. Government to actively support exports of U.S. industrial products and urge China to import a larger percentage of their capital goods from the United States to create a better balance?

A. The attitude of your government toward subsidies for exports is unenthusiastic. Now having said that, I recognize that subsidies to exports is a characteristic of much trade and to a certain extent, we have to say that if all the world is mad, 'tis folly to be sane. But nevertheless I say to your [inaudible] restraint on subsidizing exports. It is nothing more than a form of protection. You are protecting your export industries as distinct from what you normally think of as protection of an import industry. It is two sides of the same coin.

I believe that one of the most important and difficult problems we have in the world trading system is the tendency for the forces of protection to rise and become ascendent, and the demand for export subsidies that we see around the world and from American business and agricultural interests is part of that process. I understand that we have to compete, and it is up to the Government of the United States to look realistically at what is taking place to try to keep the situation such that the U.S. firms and businesses can be competitive on their merits. But I think that what happens is a kind of emergence of a gigantic export subsidy world, we all will be the losers.

That is the basis of my statement, that while we recognize the reality and, I think, we will see a greater amount of

funding for the Export-Import Bank you will see in the President's budget—and so that's there. The attitude is reluctant, frankly it is. For good and sufficient and general reasons that I believe in the long run are in the best interests of those businesses that are in the direct trading business, when you are in international trade. I suppose it must be so as well that our consumers, while they may get a short-term benefit from subsidized exports from elsewhere, in the long run will be the losers too if what we see is more and more protection, which means less and less trade. Because as I said earlier, trade has bountiful benefits because by definition it's mutual and advantageous.

News Conference, February 5, 1983⁷

I came here to contribute what I can to the building of a stable and enduring relationship with China. That was the direction I got from President Reagan and that is what I tried to carry out. I found on arriving that this was also the intent of the Foreign Minister of China as he said privately and in his toast on the opening evening.

Within the framework and with those joint objectives, we have explored issues around the world. We found some instances, cases, where we have parallel views and interests and others where our views differ. But in all cases, the discussion was penetrating and worthwhile.

As we reviewed our bilateral relationship, we realized that much has been accomplished. If you look at the volume of trade, the amount of technology exchange, the number of students and other people moving in both directions, there is a considerable record to look at.

On the other hand, there are issues of importance that we must manage with great care. The Taiwan issue was raised a number of times, and there was assurance given on each side that the negotiations on that issue, as for example, leading up to the August communique, and in other statements on that issue that have been part of the written statements that each side has agreed on together, that these have been worked on hard and seriously. And from the standpoint of the United States, I assure my counterparts that we took these undertakings seriously and intend to live by the commitments made in the communique. I would say that this is a characteristic of ours which

cuts across issues, the intention and the determination to live by our commitment.

With regard to many other bilateral issues that are sometimes difficult and contentious in themselves, we seek to find that atmosphere of mutual trust and confidence that tends to take a problem and turn it into something that is soluble, as distinct from an atmosphere of distrust which can make the same problem very difficult to resolve because of possible implications of a lack of good faith. But I believe that this objective of creating an atmosphere of mutual trust and confidence is a key and certainly is something that I intend and President Reagan intends to work for.

I appreciate the warmth and the seriousness with which my hosts have received me here. And I hope that whatever accomplishment may result ultimately from this visit, in the space of just a few short days, of course, will reflect that warmth and the seriousness. I would like to say that a number of times, when very direct and candid statements were made to me, my hosts said that I should remember that candor was something that could take place among friends. And I would have to say that I received a great deal of friendship during my visit here.

Q. When you left for Beijing, you said that you hoped that the Taiwan issue would remain in the background in these discussions. Tonight you told us that it was raised a couple of times. Has that issue remained in the background and perhaps enabled you to move on to the other issues, and perhaps get on the way to solving some? Or is that an obstacle to solving the other problem?

A. The Taiwan issue has been, is, a problem. We discussed it, as I said, and I think the most important thing I can say about it is that we have made some commitments with respect to Taiwan, and we intend to live by those commitments.

Q. Is the State Department position on the Chinese tennis star Hu Na, who is now seeking political asylum in the United States, that she would face a real threat of persecution if she returned home?

A. That is a case that is handled by the Immigration and Naturalization Service and the Department of Justice. They are reviewing the case, and I don't

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know what the outcome of that review will be. I do believe that in the process of very large-scale cultural exchanges with thousands of people moving back and forth, incidents will arise from time to time, I'm sure. The question always is: Is this a sort of individual incident that has to be given that perspective or not? And here I think is an illustration of the importance of an atmosphere of mutual trust and confidence that surrounds the relationship as a whole.

Q. Why is it that the Chinese are still not satisfied on the Taiwan issue? Is it that they do not like the agreement that was signed in August? Can you give us a better understanding of what the problem is now?

A. One of the rules that I always make with myself is that I don't try to speak for other people. You will have to ask the Chinese that question. From my standpoint I can speak for the United States, and as I have said now, this is the third time that we have made certain commitments, not only in the August communique, but also in the Shanghai communique and in the communique on normalization, about what we will do, what we will not do. We will live by those commitments.

Q. Can you say specifically what it is the United States will do to decrease arms sales to Taiwan as spelled out in the August 17th communique?

A. I did not try to renegotiate that communique with the Chinese, and I don't think I want to do it here either. The communique spells out certain undertakings, and we will live by them.

Q. Can you talk about the strategic relationship with China, particularly in relation to China's efforts to normalize relations with the Soviet Union? Do we have what you might call a strategic relationship with the Chinese any more? Or is it just the case where this is another country on which some issues we agree with and some issues we don't?

A. Of course, China is a country of great importance. President Reagan considers it to be a country that we certainly want to have a strong, stable, and enduring relationship with. In my discussion here, and in discussions with others on other occasions, certainly we have talked about our relationship with the Soviet Union, the U.S. relationship, the relationship of China with the Soviet Union. And that is, of course, something

that both parties are interested in. There are aspects of Soviet behavior that affect us both and which we have discussed. So, I suppose if you want to call that a strategic relationship you can, but I prefer myself to think of our relationship as being a stable and enduring one based on the direct contact between the United States and China and our interest not only in what the Soviet Union may or may not do but on many other matters of bilateral and international concern.

Q. Did you seek any explanation from the Chinese on their characterization of the United States as superpower on hegemony along with the Soviet Union?

A. Again, I will let the Chinese speak for themselves. From the standpoint of the United States, we don't think we are remotely comparable to the Soviet Union, and we should not be put in the same bag and characterized as the same kind of country for a host of reasons that I need not belabor here.

Q. Why were you so tough on the American businessmen at the luncheon when they asked you to be a little more forceful with the Chinese on their behalf?

A. I wasn't tough. I was just a little annoyed and tired. No big deal.

Q. Did you get the sense from the Chinese that they were on the threshold of an agreement with the Soviets on the Kampuchea issues?

A. Again, I think any views of the Chinese about a subject like that, you have to get directly from them. I think it is no secret that both we and the Chinese believe that the Vietnamese should get out of Kampuchea, and there should be an opportunity for a democratic Kampuchea to establish itself. And we hope that occurs. If, as a result of discussions between the Chinese and Soviet Union, something like that can come about, I think that would be a plus. I don't want to characterize that because I think it would be presumptuous of me. It is up to the Chinese to describe their conversations with the Soviets on that question.

Q. Is there any way you can say changes have occurred in the U.S.-China relationship as a result of this visit?

A. I hope that the result of this visit is some contribution to the development of understanding, of trust, of mutual confidence between us. That is not

something that comes out of the visit or what anyone says but emerges as the result of activities that people undertake. To some extent I think it is especially established if you manage to work through successfully something that is difficult, as distinct from things that are relatively easy. And we have had plenty of difficult things to work through. My aspiration is to make some contribution to this emerging relationship, and I hope that may have taken place.

Q. May I ask you what is now the policy of the United States regarding the sale of lethal weapons to China? Is China interested in buying such weapons? I am speaking of the initiative Secretary Haig undertook when he was here.

A. The subject of arms sales didn't arise. And so it was not an issue.

Q. Would you go into more detail on the military discussions that were held this afternoon by the subcommittee—

A. I don't think there is any special detail to go into. They were on more or less technical matters and undoubtedly were informative but I don't think—it is fair to say they were not addressed to major military issues.

Q. There has been a great deal of speculation that those discussions were a prelude to such things as a visit by Secretary of Defense Caspar Weinberger. Is there any possibility of that in the next few months?

A. That remains to be seen. I think from our standpoint, that is certainly a possibility. But it depends upon how much interest there is on each side, in defense visits back and forth. I can't give any definite statement about it.

Q. What sort of success did you have in cutting through difficulties on the technology transfer issue?

A. That is one of those issues that is difficult inherently, but on which, as I have dug into it myself before I came here, and as I've listened to comments made here, it seems to me that is one of those issues where there is a lot of misunderstanding so that a real effort just to clear up the misunderstandings will help. Now there are some inherent difficulties in any technology transfer program, when a country—and all countries have technology that they don't want to see exported or they want to see it exported only under definite conditions. We have that policy and other countries do. And it is always a some-

what difficult issue not just with respect to China but with other countries as well.

But the main point I think out of an examination of the technology transfer subject is that there have been changes over the past 2 or 3 years—the major one following Secretary Haig's visit about a year and a half ago here. And if you look at the statistics on the number of applications made and the number of applications approved, just to take that one measure, there has been a very considerable increase. As time goes on, and as we work at this together, I think gradually that whole subject will come into proper perspective. Again it is one of those subjects where the interpretation of some problem will vary a lot depending on the sense of mutual trust and confidence between the parties generally, and at the same time handling it successfully will be a way in which that mutual trust will develop. There is a kind of interactive process going on here.

Q. Is it possible for you to say if any of the specific problems between the United States and China—textiles, technology transfer, Taiwan—are any closer to resolution now than they were before you got here?

A. In the sense that there has been any contribution through these discussions, to understanding and mutual trust and confidence, then I suppose the answer is yes, sort of across the board. All of the subjects were discussed. But I did not come here to be the textile negotiator or the technology negotiator or whatever. I did not aspire to try to settle those issues as such.

Q. You have several times referred to the importance of personal contact, back and forth between leaderships. Can you tell us whether it is now clear that the premier will be coming to the United States within the next several months, and could you tell us what the other trips are now seen as in the offing by high officials of the two governments?

A. I talked about the importance of developing mutual trust and confidence, and you interpolated that into meaning personal visits. And I do think personal visits can make a contribution, but even more of a contribution is made by substantive activities that are mutually satisfying, so that if, for example, after our textile people can meet at some point and resolve their differences, that's a real contribution, as distinct from meetings as such.

I do think that exchanges of people back and forth can be quite helpful. Secretary Baldrige, whose jurisdiction particularly emphasizes matters of trade and technology transfer, will be here in May as part of a regularly scheduled commission meeting. Similarly, the presidential science adviser, Dr. Keyworth, will be here in May. And he, of course, will be able to talk about technological matters and technical matters from the standpoint of the genuine technical content. I think those visits—they are definitely scheduled—will take place, and they will be constructive. I hope to meet the Chinese Foreign Minister from time to time; and I hope he will be able to come to the United States before long, so that we can continue to develop our own personal relationship and thereby to be better and better at talking problems out.

The premier has been invited explicitly by the President to visit the United States, and has said that he intends to do so, but pinning down a time for such a visit is something that has to be worked through the diplomatic channels, and there isn't any answer as to the precise time. We will just have to wait on that. There is a flow of people back and forth. I would not be at all surprised to see the volume of it increase.

Q. Were there ever or are there now U.S.-equipped listening posts anywhere in China or any kind of listening posts with which the United States has been involved?

A. That's the kind of question I don't touch with a 10-foot pole.

Q. You spent a good long time this morning with Deng Xiaoping. Could you tell us about the conversation and also how you found him personally in the 2-3 years since he traveled around the United States?

A. Personally, of course, he is a very dynamic, forceful, interesting individual. I felt privileged to have a chance to spend that much time with him. From the standpoint of the content of our meeting, I would say the point that emerged to me most forcefully was just this one that I have been seeking to emphasize here; namely, the importance for the future of our relationship of the development of mutual trust and confidence.

Q. Did the Chinese bring up in discussions with you the subject of joint U.S. military exercises with the South Koreans, and, if so, what was said?

A. There was a statement made, not in our major meetings, about it. The response on our part was that this, of course, was a training exercise, planned a long time ago, and about which the North Koreans had been informed well in advance. So there is nothing about it that poses any immediate problem.

Q. Did you discuss the problems of civilian nuclear cooperation with China or ask the Chinese about reports that they are shipping various nuclear materials to other countries?

A. As far as cooperation on matters of nuclear power is concerned, that is something that may emerge. There are interests on both sides in that. We will just have to see if that will develop into something. We, of course, have for a long time been concerned about problems of nuclear proliferation, and we continue to have that point of view. I am sure that it is widely shared around the world and here as well. But I don't want to go into that in any detail.

Q. In your discussions with the Chinese leaders, did any of them ask you whether President Reagan will run in 1984?

A. No.

**Toast,
February 5, 1983⁸**

For 4 days now, it has been my pleasure to receive the hospitality for which your capital is so well known and to engage in extended discussions, on many issues, with you and with other distinguished members of the Chinese leadership. I will leave tomorrow with the strong sense that I have made new friendships here in Beijing and that we have made important progress in renewing and enriching the dialogue between our two governments. I would particularly like to compliment you on the manner in which you have conducted the many hours of talks between us. May I say, sincerely, that I hope we will have an opportunity to continue our discussions before long.

Our talks have been constructive and wide-ranging—as the precarious world situation demands of talks between serious, thoughtful international leaders—and useful, friendly, and frank as I had anticipated they would be. Our discussions have covered most of the world's major trouble spots. I am pleased that on many important international issues, we share common views. Even on those issues where our ap-

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proaches differ, we find ourselves together in our mutual concern for peace, stability, and respect for the just aspirations of independent nations everywhere to determine their own destinies free from outside aggression.

President Reagan sent me to Beijing to resume a dialogue that has well served the interests of both our peoples. We leave tomorrow with a renewed appreciation of the value of the relationship and an enhanced understanding of our respective positions. We have come to Beijing also to review the state of our bilateral relations. While problems do exist, I leave our discussions more convinced of the real opportunities for enhanced cooperation between our governments, our nations, and peoples in a host of fields. We depart having set the stage for renewed advances built on a stronger foundation of confidence and mutual trust.

We have launched a process here this week that merits conscientious follow-through. When I return, I will report to the President that, with good will and vision on both sides, relations between our two countries will grow and the benefits will mount for our two great nations and for the world.

Let us all raise our glasses then in a toast to your health, Mr. Minister, to the health of the Chinese leadership, to the health of all our honored guests present tonight, and to the continued friendship and cooperation between the Chinese and American peoples and Governments. Happy New Year and *Ganbei!*

Interview for Radio Beijing, February 6, 1983⁹

Q. What do you hope to achieve on your present visit to China?

A. I have come to China to listen and try to understand better the Chinese point of view and policies on various issues. I also wish to explain American policies, the goals we hope to achieve, and to provide some understanding of the process and means through which we are working to obtain those goals. I think there has been considerable misunderstanding on various matters of mutual concern, and certainly there are issues on which our policies do not coincide with those of the Chinese Government. However, I believe it is most important that, even in those areas in which we disagree, we disagree on the basis of knowledge and of full understanding of each other's position.

Basically, we wish to restore a useful dialogue with the Chinese leadership and to use that dialogue to help us in building a stable and enduring relationship based on mutual trust and mutual benefit.

Q. Do you think you've achieved what you wanted to achieve? In other words, what do you think of the results of your talks with Chinese leaders?

A. I am certainly leaving China with a much better understanding of the Chinese position on a host of issues, both global and bilateral. As you know, I have had extensive conversations—something over 8 hours of formal discussions—with Foreign Minister Wu. I also met with State Councilor Fang Yi, Finance Minister Wang, Defense Minister Zhang, and Vice Minister Jia. Then on Friday, I met with Premier Zhao and yesterday morning with Chairman Deng. These conversations have been exceedingly frank and candid, as discussions among friends should be. The new Chinese Ambassador to the United States, Zhang Wenjin, took part in all the meetings, and he will be warmly received in Washington. As I said, I have a much better appreciation of Chinese policies, and I hope I have been able to convey to the Chinese officials with whom I met a better understanding of the policies of the United States. This is, of course, a continuing process, and we look forward to further exchanges, both at lower levels and, as you know, through the invitation to visit the United States which I have given to Premier Zhao from President Reagan.

Q. How much importance does the U.S. Government attach to its relations with China?

A. President Reagan believes it is most important that we have good cooperative relationships with China, that we are two great countries with major responsibilities and influence in the world. I heartily share that belief. China is a great country. Its actions and attitudes affect vital U.S. interests and are a major factor in the search for world stability, peace, and progress. The independence, prosperity, and strength of China are very important to the United States. In this regard, we have often expressed our continuing interest in assisting China in its modernization efforts. We believe that the basic national interests of China and the United States are compatible, although there are differences in many areas. Certainly,

I have found the areas of agreement appear to be much greater than the areas of disagreement.

Q. What does your government plan to do to improve Sino-U.S. relations?

A. In many respects, Sino-American relations have developed remarkably in the past few years. The United States is now China's third largest trading partner. Science and technological exchanges between us are the largest such programs in the world today. Some 9,000 Chinese students are studying in the United States right now, and we anticipate that increasing numbers will be going to the United States in future years. Hundreds of American tourists visit China each year. All of these contribute significantly to the bilateral relationship.

Naturally, in a relationship which is so large and complex, there are also problems. Some of these arise from our differing social and legal systems. In dealing with China, however, we are not seeking to change the social or legal systems of China, but we are seeking Chinese assistance in helping us to better understand these systems. I would hope that, conversely, we can increase our efforts to help Chinese officials better understand our system and society. Through better understanding, I believe we will have closer, more constructive relations which will become solid and enduring.

Q. And what about yourself? What do you wish to contribute to advancing the relationship between the two countries?

A. I regard our relations with China as among the most important for our government. This is my first visit to China, and I have learned a great deal during the past 4 days. I intend to remain very closely involved in our ongoing relationship and its development, as we seek to broaden and deepen our cooperation and understanding. Having met and established good working relations with your foreign ministers and other Chinese leaders, I am looking forward to continuing the dialogue which I hope will ensue from this visit. I would also like to use this opportunity to express publicly the sincere appreciation of both my wife and myself for the very warm reception we have met in Beijing. This is a trip we will long remember.

En Route to Seoul

News Conference,
February 6, 1983¹⁰

Q. [Inaudible].

A. I do not have any. You can describe a meeting of top leaders as a summit meeting, but I think the fact is that the President has invited the premier to Washington, suggested some broad possible times, and the premier has said—and he said it to you people at the press conference with him—that he will be coming. But we have to find the time, so we will start looking for that, and that is the fact of the matter.

Q. [Inaudible].

A. The President has been invited and that is just starting to be under review. I think we have to take these things one at a time.

Q. [Inaudible]. What do you hope to accomplish here? What do you have in mind for this Korean visit?

A. The principal objective, of course, is to reaffirm and support our security arrangements with Korea and also to pay my respects to the American troops who are stationed here. Beyond that there are points of encouragement toward moves in the direction of liberalization and also some discussion with them about economic development in general. On the whole, they have had a fairly successful 1982 economically, particularly compared with other countries, and at the same time, it is always an interesting subject to discuss.

Q. [Inaudible].

A. I do not have any specific reaction to that. Certainly, the problem of a reconciliation of the people of North and South Korea is an important problem, and I think the South Koreans have made a number of proposals—some rather people-to-people steps and some of a more broad institutional nature—to see if that cannot be brought about. On the whole, the North Koreans have more or less preemptorily rejected these approaches. I think that efforts to try to bring about some sort of better relationship between the peoples of the two Koreas is positive, but it would be refreshing if the North Koreans would show a little give in the situation.

Q. [Inaudible].

A. It is not even in my briefing papers but if it comes up I am certainly glad to discuss it with them. But, fundamentally we have problems in the textile industry in the United States that have led to an effort to bring any increases in import levels in line with increases in the market generally. And that is broadly the stance that has been taken in all of the negotiations with the Chinese. We have been slightly more forthcoming with them than with others, but basically everybody has been asked to reduce the rate of increase in their shipments.

Q. Would you address the question of mutual recognition of North and South Korea by the Soviet Union and by the United States? You have any thoughts on that at all? Does it seem like a good idea, a silly idea or—

A. It is the sort of thing that might be a symbol of a desire to reconcile these people. They are all Koreans, and they have a lot of family ties back and forth so it is something of a strain to have this division. That is one version of so-called cross-recognition, and there are a lot of other aspects to it. Sometimes you hear suggestions about recognition and sometimes it is a matter of trade relationships and things of that kind, but what they all add up to is a recognition of the artificially, from the standpoint of families and people, of a divided Korea.

Q. How are things going to go or how do you feel things will go now with China? Have we sorted out all the problems of the past few months? What is your own personal feeling about how the talks went and what the future holds?

A. We have identified a lot of problems but also a lot of progress and accomplishment. There are a certain number of meetings that have been identified and potential further developments. And my own opinion is that if we can maintain the sort of spirit of the dialogue of the last 4 days, then we will gradually make headway in resolving the individual issues. As I commented yesterday at the press conference, if you can get issues into the context of a generally good atmosphere, then you find ways to solve them. You take the same issue and put it into a less happy atmosphere, and it becomes very difficult to solve. I think the general tone of things can have some impact.

Q. [Inaudible]. Are you telling the Chinese the United States has a commitment to live up to the spirit of, or in terms of, the joint communique, but also other commitments in the world such as the enduring commitment to Taiwan, and it remains a commitment and the United States keeps its commitments? Is that the general tone?

A. I think it's very important that our country keeps commitments that are made. In referring to the various communiques that have dealt with the subject of Taiwan, I believe I'm correct in saying that every communique, every formal statement involving China—the People's Republic of China—and the United States has had a reference to Taiwan in one way or another. We do understand these commitments; we intend to live by these commitments. That was the statement that I made.

Q. [Inaudible].

A. No, I think there is a satisfactory *status quo* in terms of our foreign assistance programs that are in effect, and so on. I am sure there is disappointment in Korea, as we feel ourselves, that the foreign military sales levels are below what the President requested. As they have come forward in the continuing resolutions, we have sought to restore the President's levels with a supplemental. Of course, it remains to be seen whether the supplemental will go in the Congress, but we will be trying to get those funds restored. Basically I think there is a knowledge of our defense commitments, and I'm going there to further demonstrate that.

Q. [Inaudible]. Do you expect to cover any new ground with the South Korean President?

A. I'll be glad to respond to anything he chooses to bring up. And, there are a variety of subjects I think that are interesting subjects to talk about, and I don't know whether you classify them as good, bad, or what. But certainly as far as I'm concerned, there is an open agenda.

Q. Obviously the human rights issue is one that always comes up in Korea and recently taking their most noted dissident, I guess, out of jail and throwing him out of the country. Do you think the situation there is improving? If you do, specifically why?

A. It is improving in the sense that there have been specific things; you mentioned the most prominent one. As to why, I suppose, I think it's a move in

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the right direction, and people like to move in the right directions. Perhaps it is an expression of confidence on the part of the government but as for their reason for doing things, I think basically you have to ask them.

Q. Do you plan to encourage them to continue moving and speed up their move in this right direction?

A. We have set out to work at these things through quiet and nonpublic diplomacy, and so I don't want to violate the spirit of that by having discussion of it.

Q. What can you tell us about your meetings with the Chinese? You have had a lot of negotiations and meetings with people over the years. What was it like? Did you find any surprises there? Could we have your general impressions of the meetings?

A. First of all, the people are a serious people. Meetings were conducted in a very pleasant way but there was a minimum of the sort of pleasantries that go along with a meeting. As soon as the photo opportunities were ended, they plunged right into substantive discussions, which I welcomed. I think the people were basically well prepared; they came to talk in a substantive manner.

I did feel that on some issues, their perception of what the facts are differed sometimes rather substantially from what my sense of what the facts are on a given case. For example, on the proportion of our market occupied by Chinese textiles [inaudible]. But I found them to be strong, tough, well-informed people.

I want to call to your attention that not everything that we talked about was, so to speak, a negotiation. There was a big sort of informational content to their statements about their views on different parts of the world and situations of different countries and also in our descriptions of what was taking place. To some extent, it was information-sharing and analysis-sharing. It was interesting to me in talking with different foreign ministers and the people from different countries to get a sense of the degree to which the country has a world view of things as distinct from a preoccupation with what's going on in their own country and immediately around their own country. Certainly it is true that the Chinese have a world view, just as we do. They see things in places that are far removed from China as having an impact that is of some significance to them. They like to talk about

Africa, the Middle East, and so on; in that context, that makes it interesting.

Q. Did you get the feeling that they were less concerned about the Soviet threat to themselves than they have been in the past years? Is that a reason why they're now willing to talk more normalization with the Russians?

A. Again, I think that is the sort of question that you have to ask them about, how much concerned they are. They have made a number of comments, some publicly, during the course of the visit, and I just refer you to them. It seems to me, as is true in every country in some way—some more than others—they want to see their country develop and great tensions all around their borders are not helpful to them. So they seek to reduce those tensions, and I think that's an objective that is understandable.

Q. There has been considerable concern among some quarters in the United States regarding their shift in attitudes about the Russians and their place in the Third World. Could you tell us anything that would indicate how you came out of these talks and your own view of the significance for the United States of what the Chinese have done within the last year?

A. I felt that their view of the Russians is very realistic. It remains to be seen precisely what the content of the Third World orientation will turn out to be. But the United States, say over the post-World War II decades, has been a champion of economic development of that world. That has been our stance. Differences of view arise about what the right way to bring about economic development is; they are or may be important issues and they were probably aired more directly at Cancun. But I do think there is an increasing perception around the world that if you want development you need to rely on the enterprise of individual units, you need to give people some stake in what they are doing, that markets do help whether they are organized within a socialistic type of framework or a pure market economy. The market idea is very important. Certainly they use it in China as far as I can see.

Also any country, fundamentally, has to rely on itself to provide the real motive power for development. Now that, of course, doesn't mean there isn't a role for aid from outside in technical terms and in straight, foreign invest-

ment terms. In terms of concessional aid of various kinds, there is such a role. But getting the right perspective on these things can be a point of real discussion.

I found one of the most attractive aspects of discussing economic development with the Chinese to be their recognition of these facts and their determination to develop themselves. It was said to me a number of times with the size of China and with the number of people in China, it's quite clear that the basic thrust of the development of China has to come from within.

Q. [Inaudible].

A. There have been, for example, some developments in the way agriculture is organized in China, as I understand it, that give family units a capacity to work to a degree for themselves and to benefit from a strong performance themselves, so that what you do is related to what you get out of it. I think that is an example of the sort of look at the enterprise notion, and the ability to sell into a market is related to that. I don't want to be misunderstood. I'm not saying that the Chinese have promoted a market economy, but they use the market idea. I think if you look around in Socialist economics nowadays, you find that there is a considerable amount of experimentation, and always has been for that matter, with the question of how you use the idea of a market, and can you within the framework of state ownership of main resources.

Q. I guess what I was trying to get at was that after hearing them explain their own ideas about their foreign policy especially, is their foreign policy now something the United States tolerates? It is something we could live with quite comfortably? How is the United States going to relate to a China which has really taken a kind of new direction within this last year or so?

A. The discussions that I had about their foreign policy lead me to believe that there are many areas of great importance where their interests and the way they see the problems are quite parallel to ours. Therefore, it's quite worthwhile to be talking with them, and I think that can be fruitful. I came away with a rather good feeling about that.

We also discussed a variety of areas where they may have different views, and they are critical of the United States sometimes for what we do,

sometimes for us not doing enough or paying enough attention to something. But I found that discussions with them to be informed discussions and substantive discussions and serious discussions, not a sort of debating point-type discussion at all. I found it to be quite worthwhile in relating that to the broader sense of the interaction of their foreign policy and ours to be basically encouraging.

Q. What's your impressions on how they feel about arms control?

A. It did not play a prominent place in our discussions. They did not ask a lot of questions about it, and, on the other hand, when we discuss it, in a sense the outcome of that discussion was that we offered to have Admiral Howe [Jonathan T. Howe, Director, Bureau of Politico-Military Affairs] give a briefing on what we were doing. They seemed to be glad to have that briefing, and it was a lengthy and solid discussion. As Admiral Howe pointed out, they seemed to be very well informed about what is going on, so they follow it.

Q. There were a couple of people from the North American desk at dinner last night between a few of us. On the subject of the SS-20s, one of them said there are a hundred or more there now and a few more don't make any difference to us. Is that a view that you picked up at a higher level [inaudible]?

A. No, that kind of comment was not made to me.

Q. In the past, before the Reagan Administration, almost every time we'd go to China there would be criticism the United States wasn't tough enough against the Russians or we weren't spending enough on military. In their press they now seemed to be critical of the United States for spending too much on the military. I just wondered in your discussions did you get a recent feeling that the Reagan Administration's military program was appreciated?

A. I felt that it was and that they welcomed the strength and determination of the United States. I don't hear any criticism whatever along the lines that you suggested in your question.

Q. You got into the question of technology transfer; you talked about that quite a bit. What is it that they are interested in specifically? Did you get a feeling of priority what they want, what they are interested in?

A. The technology transfer issues have come up in a sense on two levels: one is with respect to some particular piece of equipment or area of knowledge for which an application has been made and about which there is discussion. That leads you into such discussion of criteria and procedures and speed of consideration and so on. That is what you might say is an operational level of discussing the subject.

They also laid a lot of emphasis, and in many respects the heaviest emphasis, on the intent and the atmosphere within which these operational questions were to be discussed. People made the point to me a number of times, on this particular equipment or that particular equipment, so much the way that you view us is more important than the way particular things are handled. It is the overall sense of atmosphere that is being displayed here. You sort of go back and forth between these two levels. That was the nature of our discussions.

Q. [Inaudible].

A. The whole subject is one that is a difficult one, inherently. You have always, particularly these days, a moving target. The sense that technology is changing constantly, particularly in the fields that are of the greatest interest. You keep having to adapt your criteria and your judgment to this moving target. I think it will remain a difficult issue, but I do think there is a lot of room for clarification so that it can be put into a more satisfactory way. I am not directly answering your COCOM [Coordinating Committee for Multilateral Security Export Controls] question. Obviously people can make decisions about things like that but that is an issue for the government to consider.



Seoul

**Toast,
February 6, 1983¹¹**

I visited Korea before, but this is my first visit as Secretary of State of the United States of America. Even before the gracious occasion we are enjoying this evening, the visit began auspiciously. Our talks this afternoon were very informative and useful to me, and I look forward to further consultations with

you, as well as to my meetings with President Chun and Prime Minister Kim tomorrow. I thought that perhaps there was something symbolic in the sort of spontaneous way, this afternoon, in which you wound up sitting on the side of the table with my American colleagues and I wound up on the Korean side. And perhaps what that suggests is there aren't two sides but only one side in this partnership.

Our talks will touch on a variety of themes of vital importance to both the Republic of Korea and the United States and to the relationship between us. We'll exchange views and concerns on the state of the international economy, on the diplomatic efforts of our governments to insure peace and promote international understanding, and on our shared belief in the need for continued political development. But everything we discuss, to my mind, will relate to the central theme of this visit: the reaffirmation of our mutual commitment to the security and stability of the Korean Peninsula and of the Northeast Asian region.

Tomorrow afternoon I will be visiting both Korean and American units in some of the areas north of Seoul. When this trip to the forward areas was proposed to me, I readily agreed. I have seen some of these areas on earlier visits, and I know that an awareness of the seriousness and immediacy of the military threat, which comes through so clearly up there, is basic to any real understanding of the situation in Korea. I'll have a chance to refresh my own impressions of the harsh realities of peace and war which must be faced in this nation every day. More important, I believe my visit will demonstrate anew the steadfast commitment of the United States to the security of the Republic of Korea.

The hostile confrontation between two parts of a divided nation which has characterized Korean life for decades is undeniably a tragedy. It requires an enormous diversion of resources away from peaceful purposes—resources that could be used to provide better lives for all the Korean people. And it poses a constant danger. President Chun has repeatedly demonstrated his desire to break the deadlock and establish a basis for dialogue with the north. You yourself took part in early efforts to bring that about. He has put forward, without conditions, a comprehensive program for the reduction of tensions and the eventual reunification of the nation. Unfor-

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tunately, North Korea has not chosen to take up this offer. Nevertheless it remains on the table.

One of the great accomplishments of the South Korean people is that you have achieved dramatic, almost unparalleled economic progress over the past two decades, despite the very heavy defense burden you must bear. The United States will continue to do everything it can, consistent with our own budget constraints and global security responsibilities, to ease the burden your defense effort imposes. I am confident that by working together we can continue to deter aggression and maintain a shield behind which economic growth and political development can flourish and the human spirit prosper.

We applaud the breadth of vision exemplified in President Chun's thoughtful proposals about Pacific cooperation. In addition to his visit to the United States in 1981, President Chun has had highly successful tours of Africa and the ASEAN countries—visits which clearly advance the stature of Korea in the world. Your political and diplomatic standing is now more nearly in line with your widely recognized economic accomplishments. As friends and allies of both Korea and Japan, we were profoundly encouraged by the recent highly successful efforts to put that vital relationship on a sound and harmonious footing. I am confident that you will be able to build on the foundation laid during Prime Minister Nakasone's visit.

The ties between Korea and the United States are—as I believe everyone here would agree—both strong and full of promise for the future. I am pleased and honored to represent my country here this evening, at the outset of what I am confident will be an excellent year, and a productive second century, for our relationship.

I propose a toast to the health of His Excellency, President Chun; to the friendship of our people; and to the common commitment to security and to peace.

News Conference, February 8, 1983¹²

President Reagan sent me to Korea to reaffirm and strengthen in every way possible the strong relationship we have with Korea and to develop the strength of our alliance and our capacity to deter aggression as it's exhibited here on this

peninsula. I've had the opportunity for many discussions with the foreign minister not only in the formal meetings but as we rode around, with the President and with others here. Beyond that it is inspiring to visit the forces in the DMZ to see the quality of our young Korean and American soldiers and to see the duties that they are undertaking there on your behalf. I am grateful for that opportunity and very glad to be here. I express to you my thanks for all of your hospitality as well as your thoughts.

Q. Our understanding is that you discussed the cross-recognition problem of the Korean Peninsula. Would you elaborate a little more detail about that now?

A. The question arose, and, of course, it's part of the recognition that on this peninsula, there are Korean people and there are families that are located in both North and South. And so efforts have been made—very creative and imaginative efforts—by the Government of South Korea to see if some pattern of reconciliation can evolve. The cross-recognition proposal is one among many efforts to get at that problem. Unfortunately, these efforts have basically been rejected by North Korea although it may be, as times goes on, that patterns will be found that help to move this situation along.

Q. Was this question raised during your visit to Beijing and if it was raised, what was the reply of the Chinese leaders?

A. The question of cross-recognition did not come up during my visit to Beijing.

Q. I understand that the United States seems to object to South Korean export of arms. Would you please explain Washington's position on this matter?

A. The United States has a variety of restrictions on itself in connection with the export of arms. So when United States technology is involved in the production of arms by an ally, as in the case of South Korea, then basically we think that the restrictions that we apply to ourselves ought to apply to the other countries as well. Of course, sometimes that leads to some differences of opinion, but that's the fundamental point involved.

Q. Could you be more specific on such restrictions?

A. If there is a country to which we feel it inadvisable to ship arms from the

United States, then we would ask our friends who have U.S. technology that we have worked with them on jointly so that they can develop their own capacities to observe the same restrictions. Otherwise we're not able to enforce on ourselves a policy that we may have.

Q. If cross-recognition of the two Koreas will take place for the United States and mainland China, and Japan, the United States will sign a peace treaty with North Korea and will withdraw its troops—U.S. troops—from South Korean soil?

A. No, there is no proposal around that I have heard, other than by the North Koreans, that U.S. troops be withdrawn from South Korea. And there is no intention of doing so. We stand with our friends here in South Korea. We are here to deter aggression, and we'll be here as long as that's needed.

Q. It means that despite cross-recognition, the United States never will sign a peace with North Korea?

A. If North Korea changes its behavior and there is a reconciliation with South Korea and a peaceful situation emerges, of course that's something else again. But anyone who studies the situation or goes up and visits in the DMZ can see that that's a long way away.

Q. Since we've been here in Seoul, there's been a commentary published in Beijing about your visit there. Does it surprise you, and do you feel that it somehow reopens or changes some of the things that you did there?

A. No. I've said what I had to say about the visit there. And, I think, it was worthwhile from my standpoint. I learned a lot. I hope that the things that I had to say were helpful in expanding the understanding of the Chinese about the United States and the Reagan Administration. There were lots of problems there when I arrived, and there are still problems there. And that's the situation.

Q. Did you see anything new in that? I mean have you seen it or did you analyze this report?

A. I saw a report. I don't know whether it's the same one you're talking about, probably is, and I didn't see—and to some extent people came in with a sense of commotion about it. I read it, and I didn't go into orbit about it [laughter]. After all they weren't businessmen [laughter].

Q. When the Chinese leadership asked you to seek the repeal of the Taiwan Relations Act, how did you respond?

A. The Taiwan Relations Act is the law of the land in the United States. We have negotiated several communiques with the Chinese on various occasions, the most recent being last August. And those were very seriously worked on in each case. It's our intention to live by the commitments in those communiques which we think are perfectly consistent with the Taiwan Relations Act.

Q. Is that how you explained it to the Chinese leadership or did you say that it's just not going to be possible to do that?

A. That is the explanation that I have given you and given the same explanations here, in Beijing, in Washington, in public, and in private.

Q. You're nearing the end of this trip to Asia. Could you give us an assessment of how you think it's gone, what you've accomplished?

A. I think it's been a very worthwhile undertaking from my point of view. And each of the countries that I've visited on this trip has been very cordial, hospitable. In every case, the discussions that I have had have been very serious and thoughtful, well prepared by them and by us. I think it's been quite worthwhile.

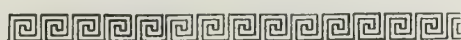
Q. I understand that you are going to revisit Tokyo on your way back to the States. Do you have any message to carry from the South Korean leadership to Mr. Nakasone?

A. As I have gone from one country to the next and people have asked me about what has taken place, I've given a report, and I have talked to the foreign minister about my trip as I came here. And on the way back to Washington, we will stop in Tokyo, and I'll have a chance to review with the Japanese there a sort of wind-up of the trip. So I've been reporting in a sense as I have gone along.

Q. As you know starting to take place "Team Spirit '83"—so if the Soviets will conduct another large scale military exercises in the Pacific or Chinese, North Korean troops together, that the United States considers threatening the peace in the Pacific, in your opinion what the

United States will do in case that North Korea and China will conduct another large-scale exercise like "Team Spirit '83"?

A. Exercises are exercises. We are conducting one ourselves with our friends in South Korea. We have announced it. And it's part of our continual preparation and readiness. And I think the basic thing that the United States will do and our allies will do is to maintain our strength and try to be sure that those opposing us understand that we do have that strength and determination. And again you can see it expressed very visibly and in very human terms in the faces of the people up manning our posts in the DMZ.



Hong Kong

**News Conference,
February 9, 1983¹³**

Q. Did you have any chance to give any thought to the report from Israel on the court of inquiry and what effect it might have on various negotiations?

A. As far as the report is concerned, it's, of course, an internal matter for Israel. So I don't have any comment on their internal affairs, other than to say that it seems to me another outstanding example of the way a democracy can conduct itself. To that extent it seems to me that it deserves a definite tip of the hat as a model of how democracy can work.

As far as its impact on the various matters being negotiated are concerned. I think all of these questions—the Lebanon matters, the basic peace process, the Middle East peace process matters, Israeli-Egyptian concerns—are all matters of great importance. And we intend to keep working away at them, and I presume the other people—parties to those negotiations—will as well.

Q. Do you think it might delay even more the decisions that need to be made on the withdrawal from Lebanon, just while the internal thing is sorted out?

A. I don't think that necessarily needs to be the case, and people in governments have to work on more than one thing at a time. We all do, and I'm sure the Israelis will.

Q. The issuing of a report is perhaps an example of democracy, but if it just stays that way, would you still feel the same way?

A. Do you mean if they just issue a report that's put in a file drawer? They have, I think, first of all—the Government of Israel decided to appoint the commission. The commission has conducted a thorough investigation, issued a report, and it's been again an interesting marker on the esteem in which this process and the commission is held that there have been no indications on anyone's part that it would be other than a thorough investigation, and the commission members would say whatever their conclusions were. Undoubtedly that's what happened now. What will happen next is for Israel to determine. It's an internal matter, and we'll just have to see about that.

Q. The Department issued the human rights report on the day or day after you left South Korea. We were told that you told the South Korean Government—you praised the South Korean Government—on the progress it has made on human rights questions. Did you let them know that this report was going to be issued which was critical of the government's—some of the government's policies with regard to dissidents—political dissidents? Did you discuss that question at all with them aside from appreciating the progress that they've made?

A. As I said on an earlier occasion, we are trying to conduct, to the extent that we can, our diplomacy in this regard on a quiet basis, and I don't want to undermine that approach by discussing it. The release of that report, I think—basically, that's the report made to Congress and then the release of it is basically a congressional matter. So we weren't in control of that. I think it is by now a fairly straightforward effort to gather information, publish it, and assess it.

Q. Did you, during the meeting with chiefs of mission here, produce any kind of conclusions—any kind of balance sheet—of how we are doing in Asia? And did it produce any kind of concern about Soviet activities in Asia—the Soviet military buildup on naval buildup?

A. The discussions were wide ranging. I don't want to specify all of the topics. You can pretty well identify them. But to me, it had a very good ef-

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fect in getting me and others to think about the Asian dimension of our foreign policy. And, of course, as you think about that, you can't help but see that we do have and must have a world view, as we think of U.S. interests around the world. But I found it useful since I look on this trip as, in a sense, part of our efforts in Asia—this trip now, another to the ASEAN meeting in late June, there will an ANZUS [Australia, New Zealand, United States pact] meeting in Washington at about the same time; the chiefs of mission meeting was a useful way of trying to draw these threads together. And there are a lot of very impressive people in our embassies around through this part of the world. There was a great deal of discussion [inaudible] varying points of view, so I think all in all it served a useful purpose for me.

Q. Could you describe the Asian dimension a little more? What mutual strategic issues or concerns do you share with China, for example?

A. Of course, we first of all want to have a strong and enduring relationship with China as such. It's a major country, as we are, and so we need to think of it that way. And here their own modernization program is something of great interest to us. We support what they are trying to do, and I think as that succeeds it will be of general benefit to stability in this part of the world—higher standards of living, the market for our products, and so on.

Beyond that, as we talk about issues around the world, first of all, there are a number that are well-known where we have parallel interests, as in Kampuchea and Afghanistan, various dimensions of Soviet behavior.

There are other areas where our views differed, but it was interesting to me in talking with the Chinese to see that they too have a world view, and they feel comfortable in a sense going around the world and talking about things that are taking place in various countries and seeing the relationship among them.

It was interesting to me, just to take another dimension or example, having traveled to Europe in December and then talking with the Vice President about his trip before he left and exchanging cables to a certain extent about our two trips, to see the relationship between them. And you see, for example, a relationship in arms control is discussed and on the one hand, the pre-

occupation in Europe, of course, with the questions of deployment, zero-zero, what the Soviets do, and in this part of the world the dimensions of our negotiations saying that zero-zero goes across the board, it's a worldwide kind of proposal. And the Russian proposal—the Andropov proposal—faltered in Europe because it aspires to continued Soviet monopoly in Europe, and in this part of the world it is seen as a further destabilization here, so those are all reasons why we rejected it in the first place. But again you see the connections and you see the worldwide dimensions in what we are trying to achieve.

Q. Did you get the impression, as a result of talking to the Asians, that they would be uncomfortable with any compromise that could be reached with the Soviets in which they could keep a certain number of missiles in Asia? The Europeans seem to be interested in some compromise that would reduce the number of the missiles in Europe and allow us to put up some, but that would still leave the Soviets with a rather large force here. Does that put more burden on you to try to get the zero option?

A. That certainly reinforces the virtues of the zero option, and that point was made to me. At the same time, I don't think here they are trying to sort of tell us what we should do. They are very interested in the negotiations, and we gave thorough briefings at each stop on what our positions are. I think that was well received.

Q. Does that "they" include the Chinese?

A. Yes.

Q. I'm specifically thinking of the [inaudible] in which arms control was listed as one of the areas of congruence. Could you expand on precisely what they were talking about? Was it—

A. I think the SS-20 matter is sort of in the center of it and symbolizes their interest and their support for the positions we have been taking.

Q. Secretary Haig was out in Asia in June 1981. One of the points he made at that time regarding Vietnam was that the United States would continue every effort to isolate Vietnam under the present circumstances, as long as Vietnam basically was in Kampuchea. It's a very controversial position because people think it is better to have contact even if you don't make an arrangement with it.

Have you thought about that question of what U.S. policy should be toward Vietnam? Do you have any thoughts on that?

A. I think basically Vietnam has isolated itself by its actions. And Vietnam has become isolated in the United Nations, where there have been very strong votes; I believe the Kampuchea resolution attracted more votes this year than last year. And Vietnam is isolated economically, and all of this, I think, is unhelpful to Vietnam, and its behavior is outside the pale. We oppose what they are doing, and I don't think that there is anything to be gained by changing our stance in that regard. I think Secretary Haig was right.

Q. On Kampuchea, you said there are parallel interests with China on Kampuchea. It seems that China wants to keep low-level guerrilla war going there for quite some time as a drain on Vietnam. Is that a shared objective with the United States?

A. Of course, the shared objective basically is to get Vietnam out of Kampuchea and to allow there to emerge in Kampuchea a government that is responsive to the will of the people of Kampuchea. And that is a shared objective. The guerrilla warfare is one way of making it cost Vietnam to be there, and it is part of this pressure which, of course, also has its external dimensions as I was talking about in response to the previous question.

Q. In the absence of political initiatives we support continued military pressure on Vietnam, is that correct?

A. That is correct, but we have been exerting our support basically through the Asian countries as sharing this objective with China. The Asian countries have basically been taking the lead, and we have been supporting them.

Q. There was a report on television last night broadcast from the United States. It said the Administration had decided to make some new aircraft sales to Taiwan. The report may have been garbled—we heard the F-104 and then it could have been the F-4. Can you tell us anything about this? Is there some new sale planned on that?

A. No, there is nothing new in that. There have been some sales. That is an aircraft that is an old aircraft that's been in the Taiwan inventory for some time.

Q. 104s, is that what they are talking about?

A. I think so, yes, that is what they are referring to. There is nothing about that that in any way falls outside of the undertakings that we made in the August communique.

Q. One matter we haven't touched on here and maybe came to your mind is economic matters in Asia. As you know, this part of the world handles more U.S. trade than Europe does. Some of the countries you passed through—Japan, Korea, this place right now—have been among the more dynamic economies of the present-day world. Do you have any thoughts about the economic trends and the economic circumstances that you found and its meaning for the United States?

A. I think a lot of the future of the world is here in Asia, and I've felt that for quite a long time. As a government official before and as a businessman, I've made many trips to this part of the world. It has a very able, hard-working people in most of these countries, and you certainly can see it here in Hong Kong. I think that the United States needs to pay a lot of attention to Asia, and the economic dimension, of course, is one of the reasons that brings me here as you suggest.

On the one hand, we have the importance of opening up markets here, as in the Japanese case and in the case of other countries, and on the other it is a source of raw materials, it is a source of goods that come into the United States. It is a thriving economic community.

Q. Do you see anything the United States should do or should not do [inaudible] with regard to the economy?

A. I think, of course, everybody out here asks you what is happening to the U.S. economy and is expansion getting underway? So that's topic "A," and I've expressed myself on that subject.

I think another subject of terrific importance to everyone here and in the United States is the subject of protection. I think we have to do everything we can in the United States to stem the rise of protectionist forces, and the people here do, too. They have a terrific stake here in an open trading system. That means, at least in many of the countries, that it's not enough just to express concern about developments in the United States, but they need to look in the mirror and ask what their own policies are and whether or not they

shouldn't do something about them. We've discussed this a great deal in Japan.

We worry about, for instance, local content legislation in the United States. The Administration is firmly opposed to such legislation. And it has been raised with me. But there are countries here—Korea, for example, has now in place a form of local content legislation. I think we need to mutually examine access to markets, and I know the more we are able to say in our Congress that markets are open or being opened, the better chance we are going to have of persuading people that we should exercise great care in this regard in our own legislation. I think that's an issue of great importance.

There's been a good bit of discussion about the debt overhang that many countries have. I think it's worth noting that the picture out here is basically a pretty good one. None of these great problem cases are here; they're in other parts of the world, but nevertheless, it's clearly seen that they can have an effect because just as we had to have a world view in our foreign policy, the economy is basically a world economy system. There's no other way to think about it.

Q. Could you help us clear up some confusion about the Zhao Ziyang visit? You and Zhao, when we were in Beijing, announced that he had accepted the invitation and that there was no date set and I think it fair to say that both sides let it go at that. Thereafter, there was an announcement from the White House which, reading the stories about it, went a step further then and suggested that he would come either in June or September and the details had been worked out. There followed a statement from the Chinese that no, the details hadn't been worked out and that he might come this year or he might not come this year. What are the facts in this case and how did it get out of kilter?

A. I don't know how it got out of kilter but the facts are these. I delivered a letter to the premier from the President reiterating the invitation to come to the United States and suggesting as an initial possible time either some time in the month of June or some time in the month of September. Those were suggestions. That was received by the Chinese, and it was stated that there was an intention to accept the invitation and that the premier would be coming and that the details would be "worked out through diplomatic channels" was

the phrase used. And the details, of course, include the time, as well as other matters having to do with the content to be treated during their visits. So diplomatic channels are at work on the subject, but there is no further information about when the trip would take place.

Q. It is certain that there would be a trip in 1983?

A. There is no reference that I am aware of to 1983 beyond the references that I just told you about, namely, there was an invitation to come, two suggested time periods, and what the possibility in those time periods is to the premier, I don't know. And if those don't suit, we can look at others. We'll just have to see, as far as the timing is concerned.

Q. What is the status of President Reagan possibly going to China?

A. That invitation was extended to him through me, and I think earlier, when he and the premier met in Cancun, if I'm not mistaken. And the President is interested in that possibility. But there is no trip planned that's in the making at this point in time, but he's glad to have this invitation.

Q. When all of this was taking place, some unnamed White House official was quoted as saying that there was no way the President was going to China.

A. I was in a meeting of the Cabinet, and I'll say this on the record since the President said was that he was sort of tired of statements by unnamed White House or Administration sources, and if people had something to say, let them stand up and say it on the record and then we'll know who said what and how official it was. So until you tell me who said that on the record, I don't pay much attention to it. That's courtesy of the President; those are his words, so you see I am on the record.

Q. On the question of Hong Kong, did you discuss it at all with the governor or perhaps in the meeting with the ambassadors or heads of mission, the future of Hong Kong, or are you still staying out of that?

A. That's basically for China and the United Kingdom to work out. And from our standpoint in the United States, we have very considerable interests here in Hong Kong. So we, of course, want to see this question worked out in a manner that will promote the

THE SECRETARY

stability and prosperity of Hong Kong. But it's basically a question for the Chinese and the United Kingdom to pursue, and I don't want to make any comment about it beyond what I've just said.

Q. Did you discuss that [inaudible]?

A. You can't be in Hong Kong and not have people raise this question. But it's not a subject that we really can contribute to particularly, and so we just express our hope that they can work it out in a manner that continues to serve this interesting and rather unique community here.

Q. You expect that to be worked out?

A. I would think so. You live here, you have probably a better insight than I. It's a good thing everybody has going here and usually people like to keep a good thing going.

Q. Can you say what other matters of mutual interest you discussed with the governor?

A. He was interested in knowing what's going to happen in the U.S. economy. Of course, I know what's going to happen to the U.S. economy, so I was able to answer that question. He was interested in my visit to China. At the same time, I recognize he's one of the most experienced diplomats in the world when it comes to China, so I was interested in hearing what his views were. We talked about subjects like that.

Q. Will you be back in June for the ASEAN conference?

A. I hope to be; I plan to be. They've invited me, and so unless something comes up to prevent me, I'll be there. As I've said, I've been many times to various ASEAN countries, and I look forward to it.



Washington, D.C.

Arrival Statement, February 10, 1983¹⁴

I'm glad to be home. The trip to Japan, China, the Republic of Korea, and Hong Kong has been worthwhile.

When I present my wrap-up report to the President tomorrow, I'll be telling him that our bonds with such sturdy allies as Japan and Korea are strong and

that we have a solid basis of common interest on which to build a closer relationship with China. We got some good, frank talk from our friends; we gave some good, frank views back. That was constructive for all parties.

The trip that President Reagan sent me on underlines the importance of Asia in the President's global policy. I saw a vibrancy and creativity there that convinces me much of the future lies in Asia. Already we have more trade with Asia than with any other area of the world.

This trip also reinforced what we all know—the fates of nations around the world are intertwined. No one area of the world can pull up the drawbridge and ignore the rest of the globe. What the nations of Europe decide about nuclear missiles has a dramatic impact upon Asia. An improving economy in the United States sends ripples of reaction coursing across the world. Decisions on trade and free markets in Asian lands influence the actions of legislators in Washington.

Our interests are spread around the world, and our policies, therefore, reflect a world view. As a great power,

we have global responsibilities. We are encouraging countries that share the benefits of a peaceful and prosperous world to assume a greater share of the responsibility for maintaining that order. This was underscored during the recent talks in Washington between President Reagan and Japanese Prime Minister Nakasone.

The aspirations of people in Asia are the same as those of people around the globe—to live in peace, to have the promise of prosperity, and the opportunity for individual growth within a framework of national independence. I count this trip a contribution to these goals on both sides of the Pacific.

¹Press release 28 of Jan. 31, 1983.

²Press release 32 of Feb. 2.

³Press release 33 of Feb. 2.

⁴Press release 34 of Feb. 3.

⁵Press release 35 of Feb. 4.

⁶Press release 38 of Feb. 8.

⁷Press release 39 of Feb. 7.

⁸Press release 43 of Feb. 8.

⁹Press release 40 of Feb. 7.

¹⁰Press release 42 of Feb. 8.

¹¹Press release 41 of Feb. 8.

¹²Press release 45 of Feb. 9.

¹³Press release 46 of Feb. 10.

¹⁴Press release 58 of Feb. 23. ■

Restoring Prosperity to the World Economy

by Secretary Shultz

Statement before the Senate Foreign Relations Committee on February 15, 1983.¹

I appreciate the opportunity to meet with you today to discuss the international economic system. Restoring prosperity and stability in the world economy is one of the fundamental goals of the President's foreign policy. Progress toward that goal reinforces our other fundamental objectives—safeguarding peace and security and expanding the benefits of democracy and freedom.

I should like to divide my remarks on the international economic system into three sections: a discussion of the U.S. stake in the international economy, an examination of the antecedents of the

current situation and the challenges it presents, and, finally, a description of the actions this Administration is taking to reinvigorate the world economy.

U.S. Stake in the International Economic System

This country began as a trading nation. The legend of the Yankee trader has faded with time. But no matter how remote the image, there are still plenty of Yankee traders among us, and foreign trade is now more important than ever to the vitality of our economy. In 1981, the United States represented about 25% of the world gross national product (GNP). One out of five U.S. jobs depends in some way on trade, and 40% of our cropland is devoted to production for exports.

In the last decade, U.S. merchandise exports, as a percent of our GNP, have doubled from 4% to over 8%. Much of this increase is attributable to the growing interdependence of the world's market economies in the 1970s. Non-OPEC [Organization of Petroleum Exporting Countries] developing nations, for example, accounted for roughly 20% of U.S. exports in 1970. These same nations now account for nearly 30% of U.S. exports—more than either the European Community (EC) or Japan.

On the other side of the trade ledger, the non-OPEC developing countries supply about 25% of the goods we import for use by our factories and consumers. Since the counterpart to interdependence is dependence, it is not surprising that the Third World supplies more than half the bauxite, tin, and cobalt used in American industry and virtually all the natural rubber, coffee, cocoa, and hard fibers used by American consumers.

The North-South trade connection is important, but it should not be overstated. We should remember that Japan is our second largest trading partner and our neighbors—Canada and Mexico—are first and third, respectively. Moreover, in the aggregate, the European Community is our single largest trading partner. Indeed, in 1982, U.S. trade with the EC totaled \$46 billion as compared with \$32 billion with Canada.

On the financial side, the United States has traditionally been a large investor abroad and, conversely, has attracted a great deal of foreign investment. In the 1950s and 1960s, returns on investment were higher abroad than at home, and the United States was a heavy net foreign investor. The counterpart to this foreign investment was a persistent surplus in our merchandise trade. By the 1970s, the demand for new capital abroad had decreased as had the U.S. supply of savings. Thus, the United States ceased being a net capital exporter and usually incurred a deficit in merchandise trade. This history is described in greater and more informative detail in the "Economic Report of the President" (pp. 54-55), so I will not develop it further here.

The United States is also a significant factor in international financial institutions. Our support of the World Bank and the International Development Association helps mobilize capital for vital projects in the developing world. In addition, we are a major factor in the International Monetary Fund (IMF). The IMF is an instrument of collective ac-

tion. And although we are not a borrower, we still benefit when it supplements global liquidity and provides members with temporary balance-of-payments financing.

In sum, whether looked at from the trade side or the financial side, the U.S. stake in the international economic system is significant—significant in terms of jobs, income, and opportunities. Specifically, we can infer from this brief overview that the United States has a clear stake in the promotion of trade, in the vitality of the international financial system, and in economic stability in developed and developing countries alike.

Beyond pure economics, however, we also have a stake that is more "political" in character: the demonstration of the strength and viability of market-oriented economies and the democratic form of government with which they are associated. We should

In 1981, the United States represented about 25% of the world GNP. One out of five U.S. jobs depends in some way on trade, and 40% of our cropland is devoted to production for exports.

seize this moment to prove the potential of the open-market mentality that inspired the Yankee traders. In so doing, however, our own system will be put on trial. Therefore, if we urge other countries to adopt market-oriented policies, we should be sure to adhere to those policies ourselves.

Current Economic Situation

The world is now coming through a period of painful decompression from the severe inflationary surge of the 1970s. That period has left us with serious problems: high unemployment in the industrial countries, large public sector deficits that constrain recovery, and the heavy debt burden of some developing nations that now strains the international financial system. These problems had their origin in the decade of the 1970s. An analysis of that period reveals that they may have a common solution—economic expansion in the 1980s.

The Legacy of the 1970s. The level of international debt, which now stands at nearly \$700 billion, increased more than sevenfold from 1972 to 1982. In the same 10-year period, debt to private lenders jumped from 40% to 60% of outstanding debt of the less developed countries (LDCs). The conclusion drawn from these facts by those who wish to fix blame is that either banks "overlent" during the 1970s or countries "overborrowed."

The truth is that many bad judgments were made. But it is also true that after the oil price increases of 1973-74, lenders and borrowers acted on a set of assumptions—buoyant export growth and low interest rates—that, though proven false, were thought reasonable at the time. The recycling of petrodollars from the OPEC nations to the non-oil LDCs was highly profitable for the banks. And since the loans were in inflation-depressed dollars, the LDCs assumed that today's loans would be repaid with cheaper dollars tomorrow. In this environment, indebtedness mounted.

It would be wrong, however, to characterize the legacy of the oil shock years as a debt problem. Rather, in its broadest aspect, it is an income-earning problem. True, LDCs borrowed a lot in the 1970s, but our domestic corporations borrow a lot also. The difference is that corporations invest in productive capacity to generate income to repay their debts. Some LDCs, however, tended to invest in consumption rather than production—borrowing to finance internal income transfers. This strategy, although of questionable wisdom, was tolerable as long as LDC export earnings grew fast enough to service their debts. That was indeed the case from 1975 to 1979, when LDC exports grew 22% annually, roughly keeping pace with the 25% annual growth of LDC debt.

In response to the second oil shock in 1978-79, however, the major industrialized nations adopted more restrictive monetary policies which slowed inflation, boosted interest rates, and set in motion a retrenchment from the economic excesses of the 1970s. High interest rates and a strong dollar increased LDC debt service costs. Simultaneously, LDC export earnings declined as the recession reduced demand for, and slashed prices of, LDC commodities. Indeed, non-oil commodities prices fell 28% between 1980 and 1982, increasing debt service ratios and eroding the terms of trade. As Tanzania's President Julius Nyerere has put it, to buy a heavy

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truck in 1981, Tanzania had to produce 10 times as much tobacco, or 4 times as much cotton, or 3 times as much coffee, as it took to purchase the same truck just 5 years earlier.

The problem faced now by Tanzania, and other high-debt developing countries, is thus not so much a debt problem as an income-earning problem: rising debt service costs consume an ever-increasing proportion of declining export earnings. Many LDCs are now under pressure to increase exports and curb imports. This comes at a time when the industrialized countries face rising unemployment, declining real income, and deteriorating trade balances. As a result, the international financial, trade, and monetary systems are under serious strain.

The Need for Economic Growth.

The only lasting solution to the income-earning problem of the LDCs, as well as the serious problems of the industrialized countries, is sustained economic growth—without renewed inflation. The key to stimulating that growth lies in the interdependence, forged in the 1970s, of the world's economies.

Quotas, tariffs, and other trade barriers raise costs to us and deny borrowing countries the hard currency earnings needed to service their debts and buy our exports.

Today, for example, the economic linkage between the industrialized West and the developing world is tighter than ever. Indeed, it has been estimated that if the GNP of the Organization for Economic Cooperation and Development (OECD) were to grow by 4% in 1983 rather than the projected 1.8%, the non-oil developing countries could earn an additional \$15 billion on exports to the West—a figure equal to 14% of their estimated 1983 debt service payments.

The industrialized countries are now poised to lead an expansion of the world economy. In particular, the United States is on the road to recovery. It appears to me personally that the growth projections in the President's fiscal year

1984 budget will be exceeded. Interest rates are down; inflation is down; inventories are depleted. In short, the United States and other industrialized nations that have reduced inflation are positioned to play a vital role in world economic expansion.

The recent drop in oil prices may also stimulate expansion. Of course, an oil price decline is not unambiguously good, for any sudden, unanticipated change in the world economy causes disruptions. An oil price decline may, for example, harm individual countries—especially net oil-exporting LDCs such as Mexico and Venezuela.

But assume for the sake of illustration (as distinct from prediction) a decline to, say, \$20 a barrel (a 40% drop). It has been estimated that such a price decline would, in the aggregate, have the following catalytic impact over a 2-year period: real growth rates in industrial countries would increase 1%–1.5% and developing country rates 2%–2.5%; inflation in the United States and elsewhere would decline 1.5%–2.5%; the 1983 oil import bill for industrial countries would drop by \$90 billion and that for LDCs by \$9 billion; the OECD current account balance would swing from a deficit of \$18 billion to a surplus of \$17 billion; simultaneously, LDC exports would rise 3%, cutting their current account deficit by \$18 billion. A less significant oil price decline would have similar positive effects, roughly proportional to the reduction from current prices.

U.S. Efforts to Promote Economic Expansion

The salutary effects of world economic expansion will not come about automatically. The United States, together with other nations, must work to insure that the opportunities for growth are seized. In turn, this means that we must concentrate our efforts on four objectives:

- First, insuring sufficient liquidity in the international financial system;
- Second, preserving open markets;
- Third, improving the international monetary system; and
- Fourth, insuring political stability in the developing world.

In working toward each of these objectives—which I shall address in turn—cooperation will be essential: cooperation between the public and private sectors, between the developed and developing world, between business and government, and between the executive branch and Congress.

Revitalizing the International Financial System. The basic elements for successfully dealing with the liquidity problems of the high-debt developing countries are known and in place. The so-called debt bomb can be defused through emergency short-term bridge financing, leading to adjustment programs implemented in conjunction with the IMF and with the cooperation of commercial banks.

Private banks, however, are now reducing their rate of new lending to the developing world. Net new bank lending was flat between the first half of 1981 and the first half of 1982. Estimates for the second half of 1982 show a precipitous drop in new lending.

Such an abrupt contraction in new lending obviously would imperil the recovery of the debtor countries. Moreover, reduced lending, in the face of increased debt service costs, would also retard our own recovery by contracting LDC imports from the West. Indeed, as Rimmer de Vries [Senior Vice President of Morgan Guaranty Trust Company] recently testified, a Morgan Guaranty Trust Company study estimates that if capital flows into the LDCs were cut by \$25 billion, OECD growth would drop at least half a percentage point. With OECD growth in 1983 expected to be only 1.8%, half of a percentage point would represent a significant cut in growth.

The Morgan Guaranty study is hypothetical. But import cuts are already a reality. A dramatic case in point is Mexico, whose 1982 imports from the United States dropped 37% from the 1981 level. Consequently, in the course of a single year, the U.S. balance of merchandise trade with Mexico swung from a \$3.7 billion surplus to a \$4.5 billion deficit.

The international economy is too vulnerable to this kind of contraction to permit a continued decline in lending to the Third World. Private banks have a collective interest in extending sufficient new money to permit the developing countries to service their debts. Western governments, including our own, have a similar stake in seeing that the LDCs have sufficient capital to pay for imports of goods and services that will enhance LDC productivity and contribute to world economic expansion.

The United States stands ready to do its part in this effort. Where appropriate, we will provide funds, as was the case with Mexico, through bridge financing, Commodity Credit Corporation credits, Export-Import Bank loans, or swap facilities.

This Administration also will be seeking congressional support for the expansion of IMF resources. In just concluded negotiations, member countries agreed upon a quota increase of 47.5%. The U.S. share of this increase will be approximately \$5.8 billion. I might note that the quota increase is not a U.S. budget item, for it represents an exchange of financial assets—cash in exchange for a drawing right on the IMF. More importantly, our quota represents an investment in international financial well-being. The purpose of the IMF is not to pay off old debts but to encourage sound policies. Indeed, indications are that a borrowing country's credit worthiness tends to improve with the successful implementation of an IMF program, and private lending then generally increases rather than declines. A quota increase is thus an inherent component of any program to encourage world economic growth.

Another component of such a program is the expansion of the general arrangements to borrow (GAB). The GAB was initially established by 10 industrialized nations as a backup line of credit to be drawn upon solely by the 10 contributing countries. However, late last month in Paris, the United States, together with the other nations of the Group of Ten, agreed to almost triple the GAB from \$7 billion to \$19 billion. Our share of this expansion is \$2.6 billion. Unlike the traditional GAB, access to this expanded fund will not be limited to the Group of Ten alone but will be accessible to any country whose liquidity problems threaten the financial system as a whole.

Our share of the IMF quota increase and the GAB expansion totals \$8.4 billion. This is the amount we will be asking Congress to approve before the end of 1983.

Preserving the Trading System.

But even if sustained bank lending and increased IMF resources prevent a sharp contraction in LDC liquidity, the success of our financial efforts will ultimately depend on adjustments in the trade accounts of developed and developing countries alike. Import cuts can provide only so much; export growth must lead the way in the recovery of the LDCs. Therefore, we must resist protectionist pressures and seek to preserve the system of open trade we helped to build.

The recession and high rates of unemployment in the West understandably have increased protectionist pressures. The 98th Congress will probably confront local content legislation, agricultural and other subsidies, and a host of protectionist proposals directed at hard-hit sectors such as steel and autos.

These protectionist moves threaten to impede our own recovery and economic expansion generally. Quotas, tariffs, and other trade barriers raise costs to us and deny borrowing countries the hard currency earnings needed to service their debts and buy our exports. Conversely, open trade speeds resources to their most productive uses and creates more jobs than it destroys.

That does not mean, however, that we should acquiesce in other nations' trade-distorting practices—especially those imposed on sectors, such as agriculture and services, in which we enjoy a comparative advantage. Subsidized agricultural exports from the EC, for example, have enabled European farmers to expand their share of third-country markets at the expense of U.S. farmers. In response, we recently sold subsidized wheat flour to Egypt.

Temporary, trade-distorting measures such as the wheat flour transaction can be justified on the ground that "when all the world is mad, 'tis folly to be sane." But temporary measures tend to become permanent, and retaliation has an inherent tendency to escalate. Constructive negotiations—in which we meet unreason with reason—present the only lasting solution to protectionist problems such as export subsidies.

During 1982 . . . the strong dollar increased the price of U.S. exports and decreased the cost competitiveness of U.S. industry. Consequently, the U.S. trade deficit in 1983 is expected to widen.

We will, therefore, work within the General Agreement on Tariffs and Trade (GATT) to remove barriers to the export of U.S. services and agricultural products. In addition, we will work on a bilateral basis, as I did on my trip to Japan, to roll back trade barriers. Diffi-

cult but important negotiations with the EC on agricultural trade subsidies are now in process. Finally, we will seek concrete ways of implementing the open trade pledges made by the major industrialized countries at the Versailles summit and the GATT ministerial.

Improving the International Monetary System. Trade is encouraged by stability in exchange markets—something we have not had in recent years. The instability of relative currency values over the last decade is basically a reflection of turbulent economic conditions. But several developments have created recent problems for the trading position of U.S. producers.

Financial flows, for example, are having a powerful effect on exchange rate movements. This presents difficulties from the standpoint of trade. During 1982, financial flows into the United States led to the greatest appreciation of the dollar since the beginning of floating rates in 1973. The strong dollar increased the price of U.S. exports and decreased the cost competitiveness of U.S. industry. Consequently, the U.S. trade deficit in 1983 is expected to widen. Moreover, if large out-year budget deficits are not reduced, they will consume U.S. national savings (which already accumulate at the lowest annual rate in the industrial world). A shortage of savings would drive up both real interest rates and the dollar, thereby further widening our trade deficit.

An additional problem we face in the international monetary system is the great volatility in exchange rates. For example, between May and November of 1982, the yen depreciated from about 230 yen to the dollar to 276, raising the price of U.S. exports in Japan and in third-country markets and reducing the price of Japanese imports in the United States. By the end of the year, however, the yen had swung back to its previous level of 230. The solution to such excessive exchange rate volatility is not clear. What is clear, however, is that the problem warrants close study by the major currency countries.

Insuring Political Stability. Finally, even if we succeed in increasing LDC liquidity, preserving relatively open trade, and decreasing volatility in the exchange markets, adjustment for many developing countries still will be difficult—in some cases, testing what the social fabric will bear. Developing countries have had to accommodate the

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recession in the West and their own financial problems by cutting imports and curbing economic growth. Aggregate real LDC growth this year will be about 1%-1.5%—the lowest since 1950. African countries have been especially hard hit because of their dependence on exports of primary commodities. Increasingly desperate, they are tempted by repressive strategies and radical panaceas.

LDC austerity can, if excessive, risk political instability that endangers U.S. strategic interests. In this hemisphere, economic difficulties threaten to increase illegal immigration into the United States. Economic troubles were a factor in the recent expulsion of tens of thousands of Ghanaians from Nigeria. And economic difficulties in the Sudan could, for example, threaten the U.S. interest in Middle East stability.

In short, our own strategic interests dictate the following rule: While LDC adjustment is necessary, such adjustment must take place within the limits of the politically possible and with sufficient financial support to maintain stability and spark renewed growth.

Implications

This analysis has, by necessity, been quite general. Yet I think its implications are straightforward. The problems currently burdening the international economy—recession, high unemployment, LDC debt—all have a common solution: economic expansion. If growth in the world economy resumes and real interest rates fall, the debt burden of even the most heavily indebted countries will become manageable.

The key to recovery from the debt problem, however, lies in increased exports from developing countries. That increase is, in turn, dependent on an expansion of our own economy and those of other industrialized countries. Economic expansion anywhere can help everywhere, but not necessarily. For if we expand, while simultaneously erecting protectionist barriers, neither the LDCs nor the industrialized countries will benefit from that mutually reinforcing boost to recovery provided by open trade. In shutting out goods from the rest of the world, we will incur not only the usual costs of protection—higher prices to consumers and jobs lost in the export sector—but retard our own recovery and threaten the world economic system as well.

Our challenge, therefore, is to revitalize the international financial system, preserve and extend the bene-

fits of open trade, improve the monetary system, and insure political stability in the developing world. This Administration is working hard to achieve these four objectives, all of which contribute to world economic expansion. Our own economy will play a leading role in that expansion. As a result, we have an op-

portunity to demonstrate the continued viability of our market-oriented economy and the democratic institutions it supports.

¹Press release 49. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Security and Economic Assistance for FY 1984

by Secretary Shultz

*Statement before the House Foreign Affairs Committee on February 16, 1983.*¹

I am pleased to appear before you today to begin our dialogue on the President's FY 1984 security and development cooperation program. Our security and economic assistance programs are essential instruments of our foreign policy and are directly linked to the national security and economic well-being of the United States. They must be seen in the context of our priority effort to reestablish the fact and the perception among our friends and allies that we are a reliable partner—that we have the capacity and will to build international peace, foster economic growth, and sustain mutual security.

Economic Interdependence

In recent years, the countries of the Third World have increasingly moved to the front of the stage where these issues of peace, prosperity, and security are played out. Economically, the developing countries as a whole have been growing more rapidly than the United States and Europe (but not Japan) for the past 15 years. As they have grown, they have become increasingly important as customers and suppliers for ourselves and other industrial nations.

In 1980, developing countries purchased about 40% of U.S. exports—more than bought by Western Europe, Eastern Europe, the Soviet Union, and China combined. At this juncture, 1 out of every 20 workers in our manufac-

turing plants and 1 out of every 5 acres of our farmland produce for Third World markets.

The current worldwide recession has vividly—if painfully—highlighted these relationships. In the past several years growth rates in the developing countries have dropped from over 5% per year to around 2%. Partly as a result, our exports to these countries—which were increasing at more than 30% a year in the late 1970s—have tapered off. The chart on page 69 shows this rise and decline of exports. As specific examples, in the first 8 months of '82, U.S. exports to Mexico dropped 26%; to Chile, 59%; and to Thailand, 25%.

According to estimates, every \$1 billion decline in U.S. exports erases 60,000–70,000 U.S. jobs after multiplier effects are taken into account. In our districts today, some of the workers in unemployment lines and some of the businesses and farms on the auction block are living, if unwanted, proof that the well-being of our citizens is linked to the well-being of citizens in the Third World.

On the other side of the trade ledger, the developing countries supply about 40%–45% of the goods which we import for our factories and consumers. Although we are richer in minerals than most industrial countries, the Third World supplies more than half the bauxite, tin, and cobalt used by U.S. industry. For about 11 other strategic metals and minerals, the developing countries supply more than half our imports. For some natural products, such as rubber, coffee, cocoa, and hard fibers, the Third World supplies everything we use.

Since pictures can sometimes provide information more easily than words, I have included some further graphs to illustrate our trade and investment ties to the Third World (see pp. 74 and 75).

The intertwining of the European, Japanese, and our own economy with those of the Third World is expected to increase in the 1980s and 1990s. As the recession fades, we can expect the faster growing countries—particularly in Asia but also in South America—to resume their role as growth poles in the world economy. They will open new opportunities for our exports and jobs for our citizens. We have an abiding interest in fostering healthy economic growth in the less developed countries.

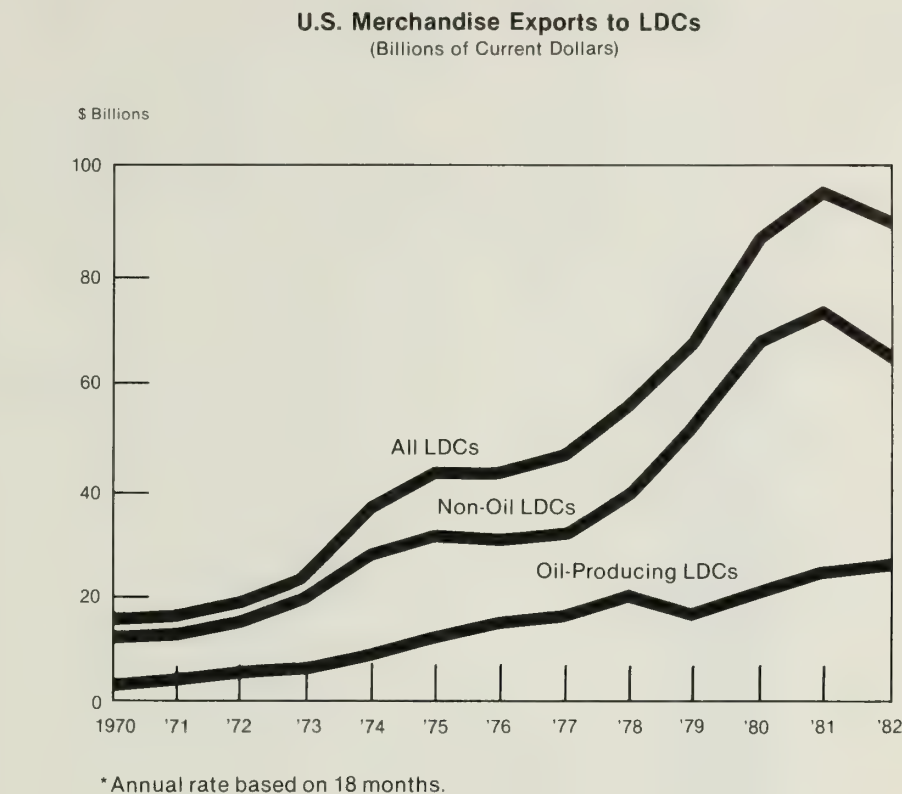
Implications for U.S. National Security

Beyond the demands of economics, the Third World is fundamental to our aspirations for security and peace. Since 1950 most of the major threats to international stability, and the chief opportunities for expansion of the Soviet Union's political reach, have come in the Third World: Korea in 1950; Dienbienphu in 1954; Suez in 1956; Cuba in 1962; and more recently Iran, Angola, Afghanistan, Kampuchea, El Salvador, and Ethiopia.

A study by the Brookings Institution has identified no fewer than 185 incidents in developing countries since the end of World War II when U.S. military forces were used in situations which threatened our political or economic interests. As you know, 1,200 Marines are currently on duty in Lebanon helping to prevent renewed fighting there.

The point is clear. The fault line of global instability runs strongly across the continents of the Third World. This instability is inimical to our security in many ways. Small incidents can flare into larger conflagrations and potentially into confrontations between the superpowers. Korea and Cuba teach this lesson well.

More subtly, the Soviet Union and its allies are able to feed on political instability. Some of the most significant uses by the Soviets of military power since World War II have been in the developing world. The Soviet deploy-



Source: International Monetary Fund

ment of a deepwater navy, an airlift capacity, and mobile ground forces have given them the ability to intervene quickly when they perceive targets of opportunity. We cannot ignore this reality as it challenges our national interests.

Strategically, some of the least secure Third World countries are sources of critical raw materials or lie astride sea lanes which carry our military forces and world commerce. The premier example is the Persian Gulf. About 32% of the free world's oil supplies originates there. Despite the recent decline in oil prices and the increased availability of non-OPEC oil, this region is vital to the economic and political security of Europe, Japan, and the United States. Clearly, it is in our national interest to assist countries in this region and thereby help sustain access to those supplies.

The job of containing the political influence and military reach of the Soviet Union also requires that we maintain military facilities and strengthen indigenous defense forces around the world. The United States cannot defend

its interests by operating out of the United States and Europe alone. We need the cooperation of countries in the Third World, and we must be prepared to help these key countries achieve their aspirations for security and economic growth.

The least desirable method for preserving our strategic interests and insuring stability in the Third World is by using U.S. forces. The 185 incidents which I mentioned earlier represent—in essence—185 failures to resolve problems by more measured means. If we are to avoid incidents in the future, we need a modest commitment of resources—exercised consistently over time—to secure peace and economic well-being in the developing countries.

President's FY 1984 Program

This is the principal purpose of the President's fiscal year (FY) 1984 security and development cooperation program. The program focuses on key strategic areas and economic problems

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which pose short- and long-term threats to the United States.

Our request is for \$14.5 billion—4.6% more in current dollars than our request last year. Of this, \$4.4 billion is for off-budget repayment guarantees of loans at interest rates which reflect the cost of money to the U.S. Treasury.

As the figures below show, about 63% of our request is for security assistance: military aid and economic support funds (ESF) to assist in building the economic and military capabilities of countries and regions of strategic importance. Thirty-seven percent of the total program is for worldwide economic assistance through both bilateral and multilateral programs. Reading across the table, if you add the ESF—that is, the funds used for economic growth in the key security countries—to the worldwide economic assistance, then the program divides functionally as 53% of the funds used to spur economic growth, 43% for military aid, and 4% for refugee assistance and other uses.

bound to the search for peace in that region.

After the Middle East, the next large segment goes for four key areas:

- Funds to strengthen military capabilities and accelerate economic activity in Greece, Portugal, Spain, and Turkey on the southern flank of NATO;
- Funds for overcoming economic problems in the Caribbean on our southern sea routes and helping build democratic institutions and political stability in Central America;
- Funds for nations near the critical oil supplies in the Persian Gulf. We propose significant economic and military assistance programs for Pakistan, Sudan, Morocco, Tunisia, Somalia, and Kenya; and
- In the key Pacific area, the focus is on strengthening Korea's self-defense and assisting the Philippines, Indonesia, and Thailand.

The balance of the FY 1984 bilateral

The President's democracy initiative is an important and related matter. He has put \$65 million dollars in the budget of the U.S. Information Agency for programs to help build the infrastructure of democracy and to promulgate the American values of freedom and decency in the world. Democracy has proved to be the best guarantee of the whole range of other human rights. Even though we must continue to cooperate with nondemocratic governments to achieve certain policy objectives, it is essential that we do what is appropriate and prudent to encourage democratic developments over the long haul. It is by putting American resources behind a movement toward democracy that we realistically fulfill our national traditions.

In all our programs in strategic regions, we aim our economic aid—both development assistance and economic support funds—at the key requisites for growth:

First, rational macroeconomic policies which provide an environment for growth by freeing up markets, creating incentives, and encouraging the private sector;

Second, developing capacities to use science and technology and build effective institutions;

Third, investing in agriculture which is the engine of economic growth in developing countries and the principal means for insuring equitable broad-based development for the majority of their citizens. We also stress population and health programs. As you know, rampant population growth underlies the Third World's poverty and poses a major long-term threat to political stability and our planet's resource base.

There is a balance in our development assistance between programs which provide direct economic benefits to the poor majority and longer term development of the human and capital resources needed to overcome conditions which cause poverty.

Our FY 1984 program also includes critical funds for the multilateral development institutions, particularly for fulfilling our pledge to the International Development Association (IDA), the soft loan window of the World Bank. Our commitment to share in IDA's worldwide program—a program which we reviewed carefully in 1981 and found to be effective—has been reaffirmed by the President at the recent meetings of world leaders in Cancun and Versailles.

Foreign Assistance Requests, FY 1984

(budget authority, \$ billions)

Funds Are Used For:	Security Assistance Program	Economic Assistance Program	TOTAL
Military Aid*	\$6.2		\$ 6.2 (43%)
Economic Growth	\$2.9	\$4.8	\$ 7.7 (53%)
Other**	\$0.1	\$0.5	\$ 0.6 (4%)
TOTAL	\$9.2 (63%)	\$5.3 (37%)	\$14.5 (100%)

* Includes \$4.4 billion in off-budget repayment guarantees of loans at rates which reflect the cost of money to the Treasury.

** Other includes refugee assistance, Peace Corps, Narcotics Control, and other small programs. Percentages are rounded.

In recent years, we have integrated all our foreign assistance instruments—development aid, PL 480, and security assistance—around discrete objectives. Our FY 1984 program reflects this process.

The largest single use of the proposed funds is for the peace and security process in the Middle East. This supports principally military and economic programs in Israel and Egypt. Added to this is our request for \$251 million in supplemental FY 1983 funds for Lebanon. I do not need to dwell with this committee on how important our assistance funds are to the peace process in the Middle East nor how inextricably U.S. political interests are

program deals with a host of critical situations in the rest of the world: problems in southern Africa caused by a combination of apartheid, the drive for independence in Namibia, and Soviet/Cuban adventurism; funds for the distressingly stagnant countries of sub-Saharan Africa and the overpopulated, but slowly growing, Indian subcontinent.

These key regional programs are illustrated in the two maps included in this statement (see pp. 72 and 73). The worldwide map shows the geographic focus of our security assistance program. The second map shows the key countries we propose to assist in the Middle East, NATO, and the Persian Gulf.

The priority item on the world's agenda today is restarting noninflationary growth. The United States is urging private U.S. banks to continue a prudent flow of capital to less developed countries in order to support economic stabilization programs and stimulate growth. In this circumstance, it is not consistent and not credible for our government to continue to delay funds for IDA, which is a major source of growth capital in low-income countries.

The funds which we are requesting for the FY 1984 foreign affairs programs are modest in relation to our foreign policy objectives and our need for security. The appropriations request is slightly more than 1% of the Federal budget and some 4% of the defense budget. Yet the purpose of these funds is to help create conditions in the less developed countries which reduce the need for military forces. Cuts in these programs would be inimical to our basic interests.

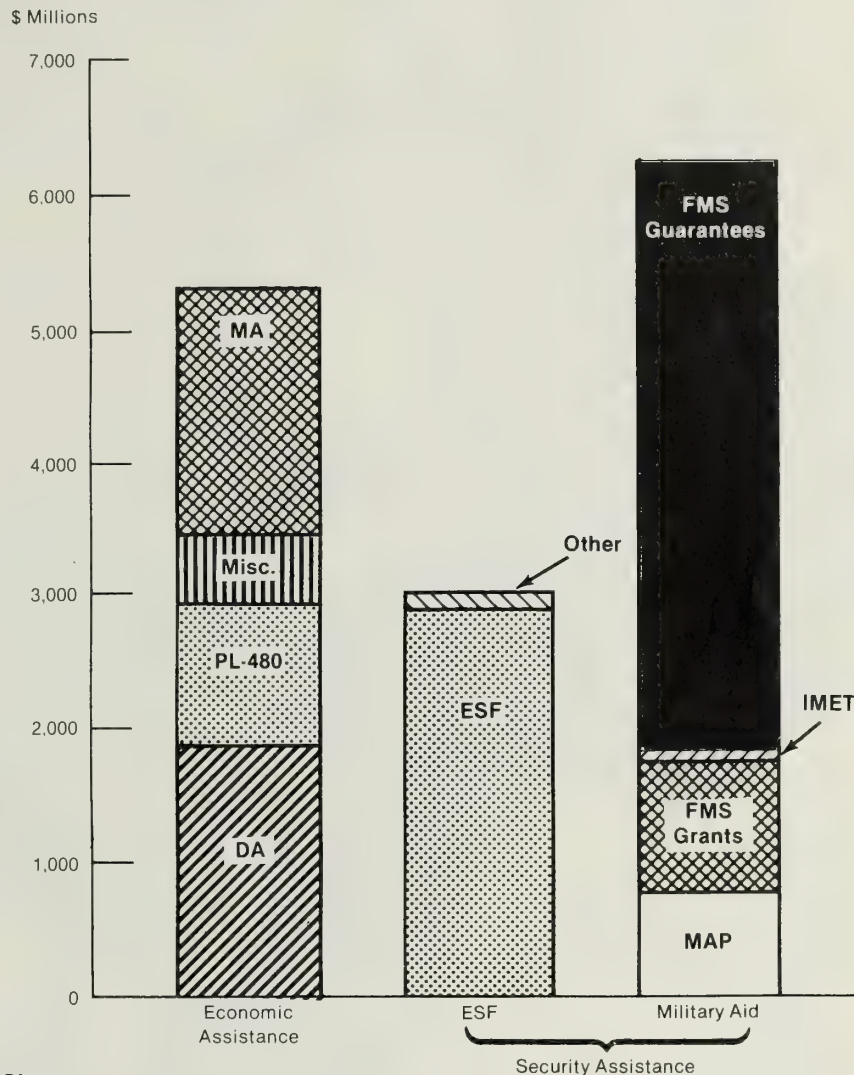
FY 1983 Supplemental Request

Let me conclude my remarks today by hearkening back to the FY 1983 program. The FY 1983 continuing resolution fell 9%—a billion-and-a-quarter dollars—below our FY 1983 request. Three-quarters of the security assistance funds were earmarked, meaning that the shortfall in the unearmarked balance fell heavily on our strategic interests in Korea, Southwest Asia, Central America, and Africa. No matter how we slice it, the amount we received is inadequate to meet our minimum security requirements abroad. Hence, we are requesting an FY 1983 supplemental—\$251 million in new funds for Lebanon and \$981.5 million to make up shortfalls in the 1983 program.

Our objective in Lebanon is straightforward. We seek to restore Lebanese sovereignty and insure Israeli security. These objectives are two sides of the same coin. The threat to Israel does not come from the Lebanese people but from foreign forces that have usurped Lebanese sovereignty and are still camped on Lebanese soil. It follows that a peaceful Lebanon, free of all foreign forces and sovereign over all its territory, will make a major contribution to Israeli security.

We are currently engaged in diplomatic efforts seeking the withdrawal of external military forces and the restoration of Lebanese authority over its territory. At the same time, it is vital that the Government of Lebanon— weakened

U.S. Foreign Assistance Request, FY 1984
(Budget Authority)



Glossary

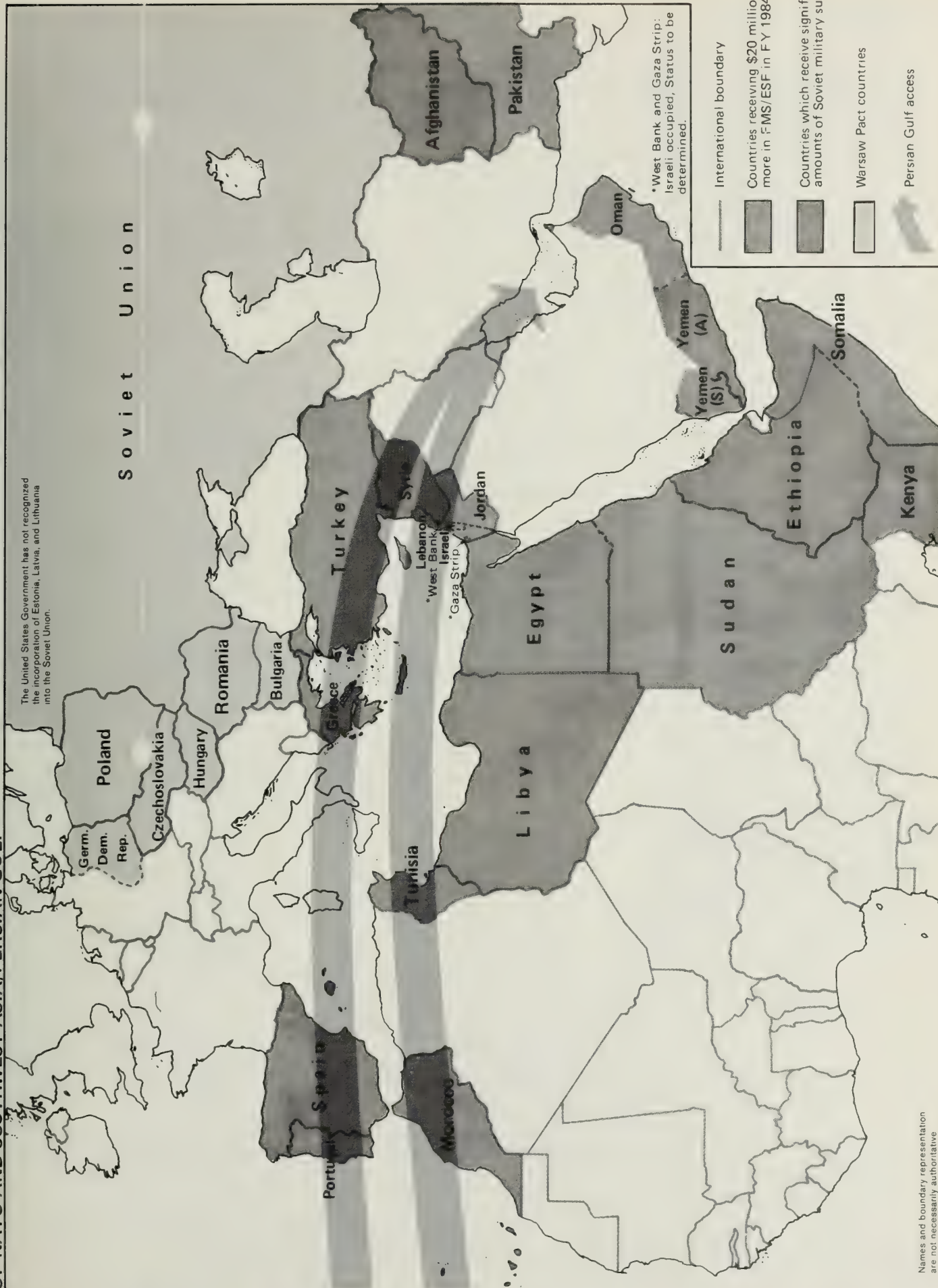
DA—bilateral development assistance.
ESF—economic support fund (economic stabilization and development funds for security assistance countries).
FMS Grants—foreign military sales grants (forgiven credits for military aid).
FMS Guarantees—foreign military sales guarantees (off-budget loans for military aid).
IMET—international military education and training program.

MA—multilateral assistance (multilateral development banks and international organizations).
MAP—military assistance program (grant military aid).
Misc.—miscellaneous programs such as refugee assistance, Peace Corps, and other small programs.
Other—other programs such as peace-keeping operations.
PL 480—Food for Peace.

[illegible]

 Eastern Caribbean Regional Program
 Warsaw Pact countries
 Countries for which \$20 million or more in FMS/ESF is requested for FY 1984
 Countries which receive significant amounts of Soviet military support
 Countries with significant Cuban military presence
 Oil shipping routes

PROGRAMS TO SUPPORT COUNTRIES IN SOUTHERN FLANK OF NATO AND SOUTHWEST ASIA/PERSIAN GULF



THE SECRETARY

by years of civil strife, the inability to collect normal governmental revenues, and the lack of normal governmental services—be assisted in revitalizing itself. The financial situation of the government is precarious. It cannot move ahead with the reconstruction of the country without outside assistance. The United States can and must join with other nations in that effort. Both military and economic assistance are needed.

For the balance of the FY 1983 program, the shortfalls and earmarks in the Continuing Resolution mean that the 1983 levels for unearmarked, military-sales-guarantee countries are nearly 50% below the request; grant military assistance (MAP) is 75% below the request.

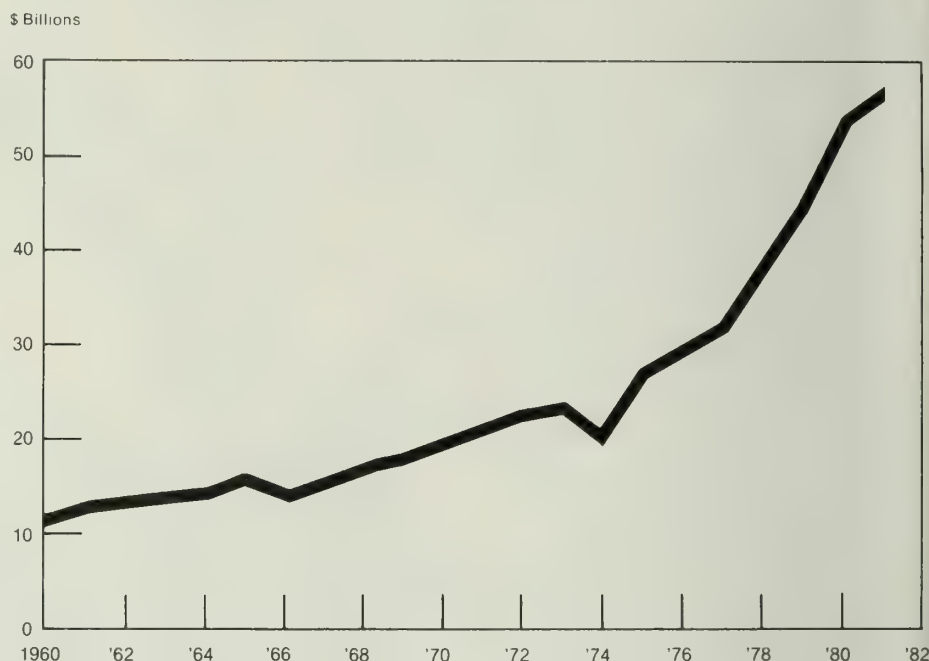
Jordan, a potentially critical player in the peace process, will have its military assistance reduced by some 40%.

In Southwest Asia, military sales guarantees for Pakistan would be cut below the level needed to pay for military equipment already on order.

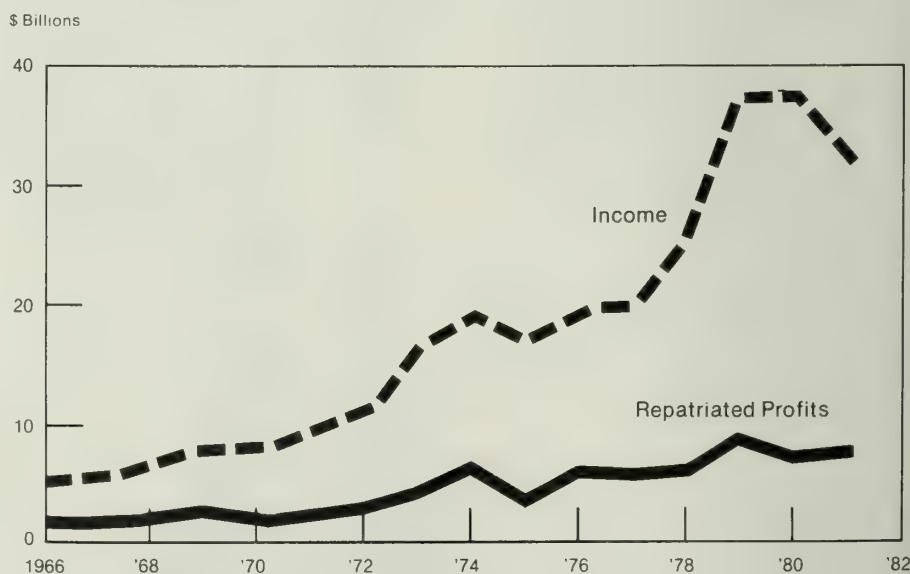
Grant military assistance for Sudan, Somalia, and Kenya—strategically located countries in and around the Horn of Africa—would be cut by over 60%. Available funding will provide only for maintenance and spare parts. Tunisia, which was recently attacked by Libya, would be cut over 40% in military sales guarantees and 85% in grant military assistance and would not be able to buy the military equipment it needs to defend its borders. These amounts need to be restored.

Turkey, a NATO ally which is putting its economic house in order, would see its economic support funds reduced by \$100 million. We would fall short of our OECD [Organization for Economic Cooperation and Development] pledge by that amount, with potentially adverse impact on the pledges of other OECD partners.

U.S. Direct Investment in LDCs, 1960-81
(Billions of Current Dollars)



Income and Repatriated Profits from U.S. Direct Investment in LDCs, 1966-81
(Billions of Current Dollars)



Grant military aid and military sales guarantees to South Korea and Thailand, with North Korean and Vietnamese troops on their respective borders, would be cut by a third.

Smaller programs in Latin America, Africa, and the Caribbean Basin—both economic and military—will be hard hit, to the detriment of our efforts to promote the security and development necessary for peaceful resolution of conflicts. These amounts need to be restored.

Finally, I must underscore—as I did earlier—that the commitment to complete the U.S. pledge to IDA is of similar weight and immediacy. The Congress has stretched out our IDA contributions from the scheduled 3 years to a fourth. Other donors have expressed extreme concern at what they see as a unilateral abrogation of a firm U.S. obligation. Nevertheless, they have taken the extraordinary step of providing an additional \$2 billion in contributions to help cover the shortfall temporarily. This action was undertaken with the understanding, reaffirmed by the President at Versailles, that the United States would seek to provide \$945 million in 1983 and to complete its IDA commitments in 1984. Failure by the United States to meet this adjusted schedule would cause our major allies to question the value of U.S. commitments.

I have selected only a few examples of the difficulties we face. Enactment of the supplemental authorization would restore these funds and enable us to meet our commitments and maintain our credibility as a reliable partner.

As an accounting device, our budget divides expenditures into domestic and international programs. But—as I pointed out at the outset—that is an artifice. The U.S. security and economic assistance program promotes conditions abroad which are deeply in our domestic interests. I hope you will give both the 1983 supplemental and the proposed 1984 program your full support.

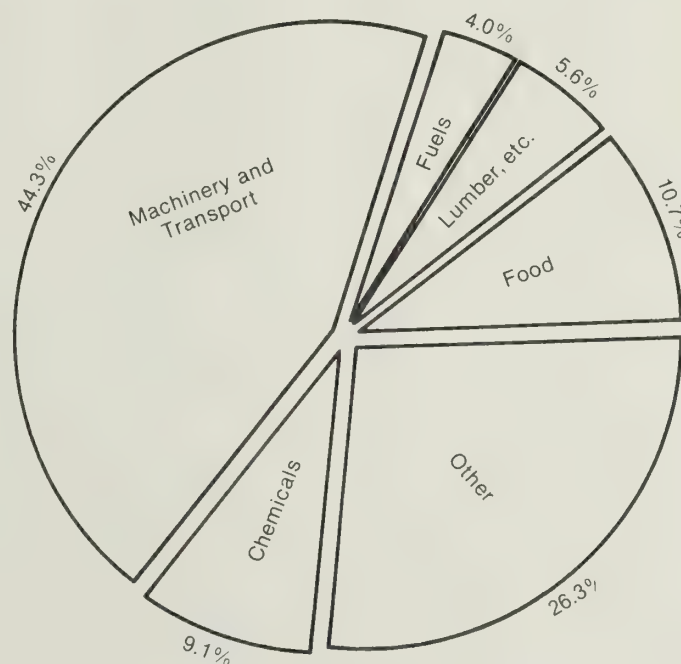
¹Press release 50. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S. Merchandise Exports to LDCs by Region, 1982*



Source: International Monetary Fund

U.S. Merchandise Exports to LDCs by Commodity, 1982*



Source: U.S. Department of Commerce

*Based on a 10-month period.

Arms Control Negotiators Hold News Briefing

Following is a news briefing held at the White House on January 21, 1983, by Ambassador Edward L. Rowny, special representative for arms control and disarmament negotiations, and Ambassador Paul H. Nitze, head of the U.S. delegation to the intermediate-range nuclear forces (INF) negotiations.¹ Also included is President Reagan's statement of January 21.

Ambassador Rowny. Ambassador Nitze and I have just met with the President to discuss the next rounds of our respective negotiations. The President remains convinced, and I certainly agree, that we have a good START position, one which I'm pleased to continue to pursue with the Soviets in Geneva at these negotiations.

As you know, the START proposal is the most bold and imaginative proposal that has been ever proposed in the strategic arms arena—calls for a full reduction by 50% of the deployed ballistic missiles. It's captured the attention of people here and particularly in Europe. I've heard no criticism about this being a good proposal. And it's one we should all pursue.

We've had an active and busy and fruitful period of consultations here in Washington. I expect to return to Geneva with clear instructions which will be aimed at the number one goal; that is to enhance deterrence, to achieve stability in times of crisis, and, above all, to reduce the risk of nuclear war. And all these principles, of course, will help us move our negotiations forward.

I'm hopeful also that the Soviet delegation will return to Geneva prepared to join us in moving toward these deep reductions in a number of strategic nuclear weapons. To repeat, as you know, our proposal calls for reducing deployed ballistic missiles by a full one-half and the number of warheads on these missiles by a third and to reduce to equal levels—and the principle that we have throughout is equality, equality, equality. We don't seek superiority, and we can't settle for inferiority.

And, of course, with this has to go hand-in-hand the verifiability of these proposals at every step of the game. Therefore, I'm hopeful that the Soviet delegation will come back prepared to continue what has been a rather active and brisk period of negotiations. And

I'm particularly interested that they have shown positive leanings toward these confidence-building measures which will reduce the risk of nuclear war.

Their statements that they are also interested in these have encouraged me, and I'm going to pursue these with all vigor, parallel with our own START talks. And, if it's possible to get a separate agreement on these, even before we finish START, I think that anything that we do to reduce the risk of nuclear war will be welcomed by us, and I have reason to believe the Soviets want these also.

Q. Do you still believe there's a 50-50 chance of winning an agreement this year?

Ambassador Rowny. I still remain guardedly optimistic. I like to believe that we can take them at their word. After all, they've said that, given goodwill on our side, there can be an agreement. I know we have goodwill on our side, and we're serious. Therefore, we're certainly going to strive to do our utmost to get an agreement.

Q. Do you go back to Geneva with anything new in the way of instructions, any new flexibility in your negotiating position? And also could you address the issue whether you see any linkage between Nitze's thoughts on medium-range missiles and that being held hostage in any sense to your thought?

Ambassador Rowny. Let me say, first of all, that the President in his last hour or so reiterated the basic principles, and, so, I don't look for any major shifts or anything that's going to develop between now and the time we leave. As you know, there will be a meeting next week to get the instructions and final print to dot the i's and cross the t's.

On this business of flexibility, let me tell you that one of the things that the Soviets admire about this President—and have told me so—is his constancy and that he doesn't have a proposal and then shift it. And they respect that and they say, "We can do business with a man who knows what he wants and will stay the course." [Laughter]

Q. Their phrase, not yours?

Ambassador Rowny. Their phrase.

And so look at the fact that they came to the negotiating table in June after we had made a proposal which is much more drastic, much deeper than the Carter proposal. They came to the negotiating table. And they have been responding—first, when we said, "We'll reduce by 50%," they said, "By 25%." Of course, they are, again, responding in launchers and not in the ballistic missiles. The way we do, we have a better unit of count. We've said, "But it's the warheads that count." And they said, "We, too, will reduce the number of warheads." Of course, they haven't told us how many. So they see the value—and, of course, they understand how the public regards this. And so I feel that they know that we have a very good proposal in the START proposal.

Q. Could you answer the second part of his question dealing with the report that the Soviets were somehow linking the INF talks to the START talks, that they, if we installed any missiles in Europe, they would pull out of the START negotiations?

Ambassador Rowny. I have asked my counterpart to take a confidentiality pledge with me that we will not discuss things that happen at the negotiating table. So I would rather not answer that question head-on because I do think once you start negotiating in the public, you lessen the chances of reaching an agreement—

Q. It's not negotiating in public. There are stories every day this week saying they're going to pull out of START if we deploy the intermediate range missiles.

Ambassador Rowny. Let me simply say that the two negotiations are part of a seamless web that Paul and I coordinate closely, and we see these as one continuum in a way. They're all related, although he has an equal and separate negotiation to mine. But let me go this far. Without getting into the confidentiality of what happened at the negotiating table, the Soviets did publicly say that if any forces were deployed in Europe, that they would have to re-examine their proposal for reductions. This is in the public domain.

Q. Do you take that threat seriously?

Ambassador Rowny. It's not a threat. I think it's a statement that they say. Yes, I take everything they say seriously, and they have said on the record, in print, and so I'm not, again, revealing anything that happened across

the negotiating table. I want to make that clear.

Q. Why do you say it's not a threat?

Ambassador Rowny. They have said that if any systems are deployed in Paul's area—that is, GLCMs [ground-launched cruise missiles] and Pershings—that they cannot reduce. And you want to characterize it as a threat, that's your character; I'm just telling you that's what they said.

Q. Did they also say they would not talk anymore, negotiate?

Ambassador Rowny. No.

Q. If that's what the President said, you're going to go ahead and deploy those missiles on schedule. Doesn't that make your task sort of useless?

Ambassador Rowny. Put that question to Paul. Those forces are not my—

Q. I thought he said a little while ago about confidence-building measures—

Ambassador Rowny. Yes.

Q. Are we to understand that you are closer to some announcement on the success on that level that may be in connection with the trip of Vice President Bush to Europe?

Ambassador Rowny. No, no, I'm not trying to imply that. What I'm saying is that the President proposed certain confidence-building measures. And in the times when Mr. Andropov has put out the carrot—like his answers to Kingsbury Smith, he said, "And we can move forward in these confidence-building measures." Then when the stick appeared in the *Pravda* article several days later, which was very critical of us, he still was positive about confidence-building measures. He's positive both with a carrot and a stick. I have reason to be optimistic—guardedly optimistic—that we can get an agreement in these things because I genuinely think that they want to reduce the risk of nuclear war as much as we do.

Ambassador Nitze. As Ambassador Rowny has indicated, we've just met with the President to discuss the final preparations for the resumption of the arms reduction negotiations with the Soviet Union.

I would like to take this opportunity

to reaffirm the U.S. commitment to a meaningful agreement to reduce the twin threats of war and intimidation posed by the growing Soviet arsenal of intermediate-range nuclear missiles.

The President has proposed the complete elimination of this dangerous class of weapons on both the U.S. and the Soviet side. This solution which would provide for zero on their side and zero on our side constitutes the most stable, durable, and effective blueprint for peace in Europe, Asia, and the world as a whole.

President Reagan has instructed me to be vigorous and probing in my efforts to reach an agreement which meets the security requirements of the United States and of the NATO allies. The United States, together with its allies, has been tireless through diplomacy and concerted action in seeking a peaceful relationship with the Soviet Union. But so long as Soviet proposals continue to mask a desire for a dangerous military advantage, so long as Soviet pledges of peace are accompanied not by cooperation at the negotiating table but by thinly veiled threats against our individual allies, we in the West must adhere to both tracks of our policy: first, to seek fair agreements to reduce the risk of war and second, to take those steps

necessary to maintain the military balance which has kept the peace over 37 years.

I go now to Geneva hopeful that the Soviets will see the folly of seeking to divide and intimidate our alliance and hopeful that an agreement which is fair and effective can be reached. President Reagan has expressed his fullest confidence in me as a negotiator and in our allies as partners. Together we shall meet this challenge. With cooperation from the Soviet Union, we may yet make a major contribution to a lasting peace.

Q. If the United States plans to go ahead and deploy GLCMs and Pershings, and if the Soviets say they won't talk if you go ahead and do that, doesn't that make this all rather a fruitless exercise?

Ambassador Nitze. I don't think it does. Because, granted, that the Soviet Union long ago—when I say long ago, 6 months ago—said that, in the event of practical steps toward deployment becoming evident to the Soviet Union, that they would then reassess their position. And when you asked them what they meant by "reassess their position," they said that might well include calling off our talks, calling off the START talks, taking measures to counteract or every

President Reagan's Statement, January 21, 1983²

This morning I met with our chief negotiators for the strategic and intermediate nuclear arms control negotiations we are engaged in with the Soviet Union—Ambassadors Ed Rowny and Paul Nitze. Vice President Bush, Secretaries Shultz and Weinberger, ACDA Director-designee Ken Adelman, and my national security adviser, Bill Clark, also joined the discussion.

Since our negotiators will soon return to Geneva for the next round of the negotiations, and since the Vice President leaves for Europe to review these and other arms control and security matters with our allies, today's meeting gave us an opportunity to review the status of the negotiations and to reaffirm our serious purpose for the coming round.

Our proposals for massive reductions in strategic arsenals and for the elimination of an entire class of nuclear

missiles in the intermediate nuclear forces deserve the support of all who seek genuine arms reductions. The coming round of the negotiations is particularly important because our far-reaching proposals, combined with our defense modernization programs, provide a strong incentive for reaching agreements on lower levels of forces on an equitable and verifiable basis.

I am determined to explore every possibility for equitable agreements to reduce the arsenals and the risks of war and to strengthen the foundation for peace. And I have so instructed our negotiators. Our entire arms control team supports this vital goal. We have no higher priority, and we will spare no effort where the peace and security of our nation and of the world are concerned.

²Text from White House press release. ■

step that we might take so it would be disadvantageous to the NATO allies and to ourselves. They did say that. But subsequent to that, Mr. Brezhnev made that speech before the 500 generals in Moscow. And in that speech he said that practical steps had already been taken, and they haven't called off the talks.

I do not believe that it is necessarily an intention of theirs to so do. They do mention these things that they may well do in order to bring pressure on us, but it doesn't necessarily mean that they will do it.

Q. We've all read a lot in the last few days about this tentative agreement that you and your Soviet counterpart reached in the summer which the Soviets rejected, which was apparently agreement for an equal number of warheads or—not equal number of warheads—equal number of—

Ambassador Nitze. Launchers.

Q. Why do you think Moscow said no? What does that tell you about their negotiating determination?

Ambassador Nitze. It's hard for me to estimate why the Soviet Union makes decisions. I've regretted very much that they made the decision to radically reject the exploratory package which Kvitsinskiy [Yuli Kvitsinskiy, head of the Soviet delegation to the INF negotiations] and I arrived at. It wasn't an agreement. I made no offer on behalf of the United States. But Mr. Kvitsinskiy and I tried to see whether it might be possible to cut through the Gordian knot and to arrive at something which might be worthy of consideration by the two governments.

The U.S. Government, I think, did find it worthy of consideration, although they did not agree with all the details. But the Soviet Union did not find it so.

Q. You don't see that as necessarily a sign that they still believe that it's, or that they believe very certainly that it's possible to, through the campaign they're waging, make sure that the Europeans never agree to deploy the missiles? In other words, that they can get what they have and we'll wind up with nothing?

Ambassador Nitze. I think they hope that through propaganda they can make it impossible. I don't think they can. I don't think they'll succeed in that.

Q. Are you concerned that the United States is losing the public relations war in Europe over these missiles?

PRESIDENT'S STATEMENT, JAN. 3, 1983¹

In the 1983 continuing resolution, the Congress expressed interest in several aspects of the strategic force modernization program, including the basing mode for the next generation ICBM [intercontinental ballistic missiles]. The legislation requested a report addressing these concerns not earlier than March 1, 1983. To help in this congressionally directed effort, I am today establishing a bipartisan Commission on Strategic Forces. The commission will review the strategic modernization program with particular focus on our land-based intercontinental ballistic missile system and basing alternatives for that system. An important part of the commission's work will be to consider carefully the views of the Congress.

I am pleased to announce that I have asked the following distinguished Americans to serve on the commission, subject to the customary clearances for such appointments, and they have agreed to serve.

The Honorable Brent Scowcroft, former Assistant to the President for National Security Affairs, to serve as chairman;

The Honorable Thomas Reed, Special Assistant to the President and former Secretary of the Air Force, to serve as vice chairman;

The Honorable Nicholas Brady, former Senator from New Jersey;

The Honorable Harold Brown, former Secretary of Defense and Secretary of the Air Force;²

The Honorable William Clements, former Governor of Texas and Deputy Secretary of Defense;

Dr. John Deutch, dean of science at MIT and former Director of Research at the Department of Energy;

The Honorable Alexander M. Haig, Jr., former Secretary of State and Supreme Allied Commander in Europe;

Commission on Strategic Forces Established

The Honorable Richard Helms, former Director of Central Intelligence;
John Lyons, vice president of the AFL-CIO and chairman of the defense subcommittee of its executive council;
Vice Adm. Levering Smith (USN, Ret.), former Director of Special Projects for the Navy;
The Honorable James Woolsey, former Under Secretary of the Navy.

Dr. Marvin Atkins, Director of Offensive and Space Systems in the Office of the Secretary of Defense, is to serve as executive secretary of the commission.

I have directed the chairman of the commission to seek out the views and assistance of a wide variety of distinguished authorities in the strategic field and to consult closely with Members of Congress throughout the commission's deliberations.

I cannot overemphasize the importance of the complex task facing the commission and how much the success of this distinguished group hinges on constructive cooperation among the commission, Congress, the Department of Defense, other agencies, and outside experts. In undertaking this vital mission, I ask that we all keep the fundamental objective in view—to preserve an effective deterrent while moving forward with negotiations to reach equitable and verifiable arms reductions.

[Editors' Note: On February 5, 1983, the White House announced that President Reagan had asked William J. Perry to serve on the commission. Dr. Perry is senior vice president and managing director of research of Hambrecht & Quist, Inc., of San Francisco.]

¹Text from Weekly Compilation of Presidential Documents of Jan. 10, 1983.

²Secretary Brown resigned from the commission on Jan. 21. ■

Ambassador Nitze. I'm not concerned. I don't think that we are losing the propaganda war in Europe.

Q. Why not? Why don't you? I mean, there seems to be a growing

peace movement. Gromyko's remarks and Andropov's remarks are getting widespread play in Europe—his criticism of the U.S. position.

Ambassador Nitze. You look at the dynamism of the peace movement and

DEPARTMENT

the opposition to deployment prior to the President's speech 14 months ago. That was very great then. As a result of the President's speech 14 months ago, that whole trend was checked and changed. Granted, in these last few months, as a result of Mr. Andropov's statement, there's been a renewed forward movement. I think now it will be checked again by the firmness of Mr. Gromyko's position in Bonn indicating absolutely no movement in their position.

Q. Have you been told that you can go back and explore other kinds of packages for consideration with your counterparts? Have you been given that authority?

Ambassador Nitze. I've been given not only the authority, but I've been directed to explore whether there's any possibility for a major change in the Soviet position.

Q. That includes changes beyond and different from zero-zero?

Ambassador Nitze. I'm authorized to explore.

Q. Do you feel that, as you go back to Geneva, you have the necessary flexibility to reach an agreement with the Soviets?

Ambassador Nitze. I shouldn't have that. It is only the U.S. Government and the Soviet Government which are ever going to reach an agreement. I have the necessary authority to explore with my Soviet counterpart what give there is in the Soviet position.

Q. As Ambassador Rowny said, this is inextricably wound together. Is this a situation where you're going to succeed and Rowny will succeed or both fail?

Ambassador Nitze. Frankly, I think that the time urgency is really on my negotiations. I think it's necessary that we come to a successful conclusion first.

Q. What date do your negotiations resume?

Ambassador Nitze. On the 27th of January.

Q. And the same with START?

Ambassador Nitze. No.

Q. February 2nd?

Q. Are you authorized to offer something less than zero-zero?

Ambassador Nitze. I'm not authorized to offer anything. I'm authorized to explore.

Q. Is there any consideration being given to separate negotiations on

curbing cruise missiles? As you know, Mr. Rostow [Eugene V. Rostow, former Director of the Arms Control and Disarmament Agency] said when they were deployed that the scorpion would be out of the bottle and we're deploying them now.

Ambassador Nitze. I don't remember that remark of Mr. Rostow.

Q. At his confirmation hearings he said that.

Ambassador Nitze. I see. I wasn't aware of that. But, in any case, the question of cruise missiles is an item which is involved both in the INF negotiations and in the START negotiations because the Soviet side has put forward proposals limiting cruise missiles, submarine-launched cruise missiles, in both negotiations.

Q. Do you expect to see any substantive progress before the West German elections in your talks?

Project Democracy

The Department of State made the following information available to news correspondents on February 7, 1983.

President Reagan in his speech to the British Parliament in June 1982 developed two principal themes.

- The United States should make a major effort to help "foster the infrastructure of democracy" around the world.
- The United States should engage more vigorously in a peaceful "competition of ideas and values" with the Soviet Union.

The President thus laid the groundwork for a long-term, positive program by the United States to advocate the principles of democracy, support those people and institutions committed to democratic development, build and reinforce bonds based on shared values between peoples and nations, and counter the spread of totalitarianism through the active interchange of ideas and vigorous democratic institutions. In the process, the U.S. Government will be taking steps to help create conditions which will offer the best protection for human rights over the long term.

This requires better programs and new approaches. While the United States has long recognized the value of providing military and economic assistance to friends and allies, we have given too little attention to the political, intellectual, and social infrastructure necessary to support democratic systems

Ambassador Nitze. I hope for such.

Q. You talk about give in the Soviet position. Is there any give in the U.S. position?

Ambassador Nitze. There will be if the Soviets come forward—well, wait a minute, let me change that. I'd rather start from the beginning.

The President's directive to me is to negotiate seriously, and he made that clear 14 months ago at the beginning of these negotiations. But, in order to negotiate seriously, it requires give on the Soviet side. And if the Soviet side gives, then I'm sure we will give serious consideration to any serious proposals of theirs.

Q. So we're not absolutely locked in on zero-zero?

Ambassador Nitze. I won't answer that question.

¹Text from White House press release. ■

and strengthen bilateral ties.

The bipartisan American Political Foundation is in the midst of a study to determine how nongovernmental groups in the United States can best contribute to the development of democracy in other countries. We support that study and look forward to its conclusions and recommendations (expected early in April).

The Administration will be proposing a budget to fund programs designed to implement the President's objectives. We will seek \$65 million for 1984. The programs will focus on the following five areas:

- **Leadership Training.** For those who are or will likely be serving in leadership roles in their societies, there are programs in the United States, their own countries, and in regional institutions which will cover the theory and practice of democracy, the skills necessary to build the institutions of democracy and to counter nondemocratic forces, the role of the market and free enterprise, and political and economic issues of current concern.

- **Education.** Through scholarships, American studies institutions, English teaching, book programs, and other means, we will try to convey a more accurate picture of the character and values of the United States.

EAST ASIA

• **Strengthening the Institutions of Democracy.** A number of programs will strengthen the role of the basic institutions of a democratic society—labor, parties, media, universities, business, legal/judicial systems, religion, community action, etc.

• **Conveying Ideas and Information.** Through more active programs of conferences and meetings, special briefings, dissemination of books and journals, as well as the full range of training, education, and exchange programs, we hope to encourage key people and organizations in an exchange of ideas and information as well as to accurately and widely convey the policy positions of the United States. Radios, handled separately in the USIA budget, are the principal resource in conveying full, accurate information and new ideas and concepts to many countries in the world; they need substantially greater funding.

• **Development of Personal and Institutional Ties.** The democracy and public diplomacy program is an effort for all of the United States—private and public groups and institutions. The development of closer ties and working relationships between parties, unions, businesses, universities, state and local governments, media, service organizations, women's, ethnic, and religious groups, and others and their counterparts overseas may prove to be the most effective means of strengthening democracy and promoting friendship and cooperation with other nations.

We intend for this to be a truly bipartisan effort which expresses American ideals. We will cooperate closely with other democracies to provide the ideas and support to allow the advocates of democracy to have the optimum chance of success. And if they are to be successful, they must adapt principles and institutions to the unique historical, cultural, and social traditions of their own nations.

The President has decided to strengthen the organization, planning, and coordination of the various aspects of public diplomacy of the U.S. Government.

He has established a special planning group under the chairmanship of the Assistant to the President for National Security Affairs. Membership consists of the Secretary of State, Secretary of Defense, the Director of the U.S. Information Agency, the Administrator of the Agency for International Development, and the Assistant to the President for Communications. The special planning group is responsible for the overall plan-

ning, direction, coordination, and monitoring of implementation of public diplomacy activities.

Four interagency standing committees also have been established and will report regularly to the Special Planning Group.

• **The International Information Committee** will be chaired by a senior representative of the U.S. Information Agency. This committee will be responsible for planning, coordinating, and implementing international information activities in support of U.S. policies and interests.

• **The International Political Committee** will be chaired by a senior representative of the Department of State. This group will be responsible for planning, coordinating, and implementing international activities in support of U.S. policies and interests. For example, this committee will coordinate the interagency effort to support the growth of democracy and democratic institutions abroad. It will provide the nexus for the policymaking and information functions and will devise and monitor

implementation of broad public diplomacy strategies for key issues and interests.

• **The International Broadcasting Committee** will be chaired by the Deputy Assistant to the President for National Security Affairs. This committee will be responsible for the planning and coordination of international broadcasting activities sponsored by the U.S. Government consistent with existing statutory requirements.

• **The Public Affairs Committee** will be cochaired by the Assistant to the President for Communications and the Deputy Assistant to the President for National Security Affairs. This group will be responsible for the planning and coordinating on a regular basis of U.S. Government domestic public affairs activities relating to foreign policy and national security issues. This will include the planning and coordination of major speeches on national security subjects and other public appearances by senior officials and will otherwise coordinate public affairs efforts to explain major U.S. foreign policy initiatives. ■

Visit of Japanese Prime Minister

Prime Minister Yasuhiro Nakasone of Japan made an official working visit to Washington, D.C., January 17-20, 1983, to meet with President Reagan and other government officials. Following are remarks by the President and the Prime Minister after their meeting on January 19.¹

President Reagan

Nancy and I have been very pleased to have as our guest Prime Minister Nakasone and his wife and daughter. These last 2 days have given us the opportunity to get to know the Prime Minister and his family and to establish the kind of warm personal relationship that is so vital to nations that are as close as the United States and Japan.

The Prime Minister's visit so soon after he assumed office underscores the significance that we both place on U.S.-Japanese relations and our role as leaders of the two industrialist giants of the free world.

Our consultations were friendly and covered a wide agenda of very serious issues, and I am pleased that we have made some imprint on the first steps in

the area of trade—something of utmost significance to the economic well-being of both our peoples—to the economic health of the Western world, and we are encouraged by the recent commitments to further open Japan's markets.

I am aware of the political sensitivity in Japan to tariff reductions on a number of products, as well as to the Prime Minister's decision to conduct a comprehensive review of their standards and certification systems. Yet nothing would better prove to the American people the good intentions of our Japanese trading partners than tangible progress in revising relevant Japanese certification laws and regulations, to remove obstacles that have currently impaired some of our manufactured exports to Japan.

In the area of energy trade between our two nations, we have agreed to establish the U.S.-Japan working group on energy, to actively explore how the abundant opportunities for energy cooperation can be transformed into realities for the benefit of both our countries.

During our wide-ranging consultations, we discussed our intention for extensive and fruitful cooperation in space. I presented the Prime Minister with a plaque containing the flags of our two nations which were flown together on the first flight of the space shuttle *Columbia*. I am pleased to announce today that I have offered Prime Minister Nakasone, and he has accepted, the opportunity for Japanese participation in our shuttle program, including an invitation for a Japanese specialist to be a part of the space lab mission in 1988. Both the Prime Minister and I look forward to continuing our efforts together in peaceful use of the vast expanses of space.

Further, I am encouraged after our meetings, and also by recent positive initiatives taken by the Prime Minister, the Japanese Government is now willing to do more to share in the burden of peace and stability. This is a responsibility that hangs heavy on the shoulders of all peace-lovers, and the Prime Minister has assured me that Japan is committed to increasingly play its part in this crucial undertaking.

My meetings with Prime Minister Nakasone have been excellent both on a personal and a professional level, and I am gratified at the rapport we developed in this short time. I am confident it will be put to good use in the future.

We have taken the first significant steps toward resolving the urgent challenges which face our two countries. We can now move forward with our 1983 agenda, which seeks mutually acceptable answers to questions, especially in trade, that continue to weigh heavily on our relationship.

We stand as equal partners in the world, and I am convinced that no two nations are more mutually dependent than the United States and Japan. I know the Prime Minister shares this view. Our partnership is so essential, we have a strong obligation to our own peoples, to each other, to insure its continued vitality.

And, again, we have enjoyed and appreciate this visit by the Prime Minister and look forward to welcoming him to our country again for the Williamsburg summit this spring.

Prime Minister Nakasone

As you may recall, Mr. President, you were the first foreign leader I greeted over the telephone when I assumed the post of Prime Minister of Japan.

Yesterday and today I had frank exchanges of views with you. We discussed issues related to world peace and arms control and the world economic situation and our bilateral issues.

It is a great pleasure for me that our talks have been fruitful, and we could reconfirm our mutual friendship and confidence. You are, indeed, a man of strong conviction, dedicated to peace. Japan and the United States have the important relations of alliance, having broad economic and cultural ties of mutual reliance across the Pacific, and are dedicated to the cause of freedom and democracy.

Solid cooperation between Japan and the United States is the cornerstone of peace in Asia, the Pacific, and the world. We reconfirmed that both Japan and the United States intend to share responsibilities in the world appropriate

to both countries. Frictions between our two countries can be solved by consultation between us. We are both strong democracies which can do so.

Finishing my friendly talks with President Reagan, I am going back to Japan with satisfaction and confidence. I should like to express my most sincere gratitude for the hospitality extended to myself and my family by President and Mrs. Reagan, particularly for their kindness in inviting us for a breakfast meeting this morning.

I have extended my invitation to President and Mrs. Reagan to visit Japan, and my wife and I look forward to welcoming you at a time convenient to both of us.

Finally, I thank the American people of all walks of life for their kindness during my stay.

¹Text from White House press release. ■

Review of U.S. Relations With the Soviet Union

by Lawrence S. Eagleburger

Address before the Governing Board of the World Jewish Congress on February 1, 1983. Ambassador Eagleburger is Under Secretary for Political Affairs.

Leonid Brezhnev is dead, and Yuriy Andropov [General Secretary of the Communist Party of the Soviet Union] governs in his place. And for many Western pundits the way is now open—if we Americans, they say, but have the wit and will—to bring about a fundamental change in the relationship between the United States and the Soviet Union. I am here tonight to tell you that—although I might wish it were so—I do not believe it to be so.

The reality is that while, of course, personalities are influential in setting the course the two superpowers will follow, the divergence of views, history, and interests is so basic that no one man—indeed, no group of men—can affect, except at the margins, the fundamentally competitive nature of our relationship.

It is, indeed, nice to know that Mr. Andropov may like to listen to the music of Tommy Dorsey, browse through the novels of Jacqueline Susann, and wear

cuffs on his pants. But he also rose to the heights through the Communist Party of the Soviet Union; was Soviet Ambassador in Hungary in 1956—a vintage year in the history of Soviet oppression; and spent more than 15 years as head of the KGB [Committee for State Security], which is not widely known for its liberal predilections.

Even were he to wish it were otherwise, Mr. Andropov's room for maneuver is limited. He must govern by a form of limited consensus, since he is beholden to the men who chose him for his post. And, even if he had more scope to act alone, there is no reason to believe he would be inclined to make sweeping changes. He is a product of the Soviet system. It is a system that has sheltered his life's work, promoted and rewarded him, and now given him supreme power. If he believes in nothing else, he certainly believes in keeping it going. In short, the new General Secretary is no doubt a good Communist, but he is certainly not a revolutionary.

But if the next Russian revolution is not just around the corner, neither should we expect that everything in the Soviet Union will, in the future, be exactly as it has been in the past. The country, under the General Secretary's rule, will not be a carefully preserved

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museum of the Brezhnev years. Historically, a change of leadership in the Soviet Union has set in motion social and political changes that affect more than just the composition of the Politburo. Long-delayed decisions can at last be made. New courses, if not radically new ones, can be charted.

The prospect of some change in Soviet conduct—indeed, our desire for change—is one reason why the first few months of the Andropov regime are an appropriate time to take stock of where we stand with the Soviet Union. Certainly the Soviets are reviewing where they stand with us. It is appropriate, as well, because this Administration has now had responsibility for conducting American relations with the Soviet Union for 2 years.

Our policy toward the U.S.S.R. starts from the fact that both of us have weapons of almost unimaginable destructive force. Each of us can do mortal damage to the other in an afternoon. Our weapons are not the result of failed judgment or of a military-industrial complex spinning out of control. We arm because the Soviet Union is armed and aggressive.

The differences between the Soviet Union and the Western world are deeply rooted. We have radically different political values, visions of the proper social order, and aspirations for the future of the international system. While we in the West are fundamentally committed to individual liberty, to free elections, the accountability of those who govern to the governed, to economic freedom, and to a world order that fosters those values, the Communist Party of the Soviet Union is just as fundamentally opposed to all of those principles.

But even more ominous than these differences is the Soviet decision to translate our philosophical rift into a global, military competition. They have made us rivals.

We are rivals not because the Soviets do not respect our interests, but because they respect only their own. Our moral commitment to the rule of law, to peaceful change, and to the safety of the weak from domination by the strong compels us to view the Soviets not only as our rival but as the rival of a humane world order.

We cannot wish these differences away. And we will not abandon our values. In fact, we are determined to advance them. This Administration welcomes an open and peaceful competition between our visions of man's future. President Reagan has recently launched

a program to promote democratic values and institutions abroad; it is a program that has already drawn substantial Soviet fire, so its potential effectiveness must worry them.

Our rivalry, then, must continue so long as our two nations remain true to the principles upon which they were founded. But because our arms make the rivalry so dangerous, we must keep it within bounds. We and the Soviets have few common interests. But, so long as the West remains strong, we do share one fundamental interest—that of avoiding war. American policy toward the Soviet Union must fall between the impossible and the unacceptable; we must steer a middle course between the friendship we cannot have and the war we must not have.

Requirements for Improved Bilateral Relations

The aim of this Administration is plain. We want relations with the Soviets that are as cordial and cooperative as our deep differences permit. But such a relationship has two fundamental requirements.

First, there must be a military balance. History offers few clear lessons for those who manage our nation's affairs, but one of them surely is that an imbalance of military power between two rivals leads to trouble. Where such an imbalance exists for long, the stronger party talks, while the weaker listens. Soon the stronger makes demands, and the weaker submits.

Over the past decade, America's investment in defense lagged behind that of the Soviet Union. During the 1970s, we spent between 4% and 5% of our gross national product on defense; the Soviets spent 12%–14% of theirs. In that decade, our defense spending declined in real terms. Theirs increased by 4%–5% per year. These facts have clearly affected the course of Soviet conduct for much of the past 10 years. We have, then, little choice but to increase our defense effort to make up for the ground we have lost.

Our efforts are designed to assure equality in the military relationship. We do not seek an arms race, but we will not—we cannot—accept second best. We are not trying to spend the Soviet economy into the ground. Indeed, we would not mind at all if the Soviets improved their economic condition by spending less on their military. We arm for a single purpose: to deter the use of Soviet arms against us or our allies.

Our effort to maintain a stable military balance is entirely consistent with our goal of improved relations with the Soviet Union. In fact, the one is clearly necessary for the other—a reality that some, of late, seem to have forgotten. There is great wisdom in the story of the first-time visitor to Jerusalem who tells an Israeli he meets that he is surprised to see so many weapons in the land of the Bible. "It is true," the Israeli tells him, "that the Bible says that on the day of days the lion shall lie down with the lamb. But," he continues, "the day of days hasn't come yet. And even then," he adds, "I'd rather be the lion than the lamb."

The second fundamental requirement for an improved relationship with the Soviet Union is simply stated: The Soviet Union must observe certain basic standards of national conduct. We do not insist that the Soviet Union abandon legitimate national interests or its standing as a superpower. But what possible legitimate Soviet interest would be threatened were they to live up to standards that are plainly written into documents they themselves have signed—the Helsinki accords, the U.N. Charter, even their own constitution? Yet these standards have been violated time and time again. The Soviet occupation of Afghanistan, the suppression of the popular desire for reform in Poland, the Vietnamese imperial control of Kampuchea at the behest of the Soviet Union, their Cuban proxy's promotion of instability in southern Africa and Central America, the denial of basic human rights to their own citizens—all these acts demonstrate that the Soviets have not only failed to abide by the rules of civilized societies, they have failed to keep their word.

When the Soviet buildup far exceeds any legitimate defense requirement; when they deploy forces in Eastern Europe, the Far East, and the Indian Ocean that have no conceivable defensive mission; when they intimidate our European and Asian allies to try to prevent them from taking measures that their own unwarranted military initiatives have made necessary, it is difficult to credit the Soviet Government with peaceful intentions. When the Soviets threaten Japan with nuclear devastation on the heels of Prime Minister Nakasone's visit here, are they not to be taken seriously? When elementary human rights are denied where Communist governments hold power, when Anatoli Shcharanskiy is cruelly imprisoned instead of being allowed to

emigrate and Andrey Sakharov is held under house arrest far from his home under no formal charge, and when one of the first acts of the new Soviet leadership is to threaten the distinguished historian Roy Medvedev, we in the West, for whom human rights are of paramount importance, must not pretend that more cordial East-West relations will be easy to achieve.

It is these policies, undertaken by the Soviet Union and its allies, that have poisoned East-West relations. This is the crucial point that some in the West are too ready to forget. Our relations have been bad because Soviet aggression and provocation have made them bad. When aggression and provocation cease, relations will improve.

This has been the message of the Reagan Administration for the past 2 years. I believe it is getting through. The Soviets know where we stand. They understand the principles that underlie our positions. They understand that we are committed to our principles and that we have strength of purpose and have not lost our will.

I cannot tell you this evening that we have achieved our goals. As we meet, surface-to-air missiles are being deployed to Syria, and Soviet soldiers are killing Afghan freedom fighters. Vietnamese forces occupy Kampuchea. Cubans by the thousands are garrisoned in Africa, while other Cubans, also in the thousands, sow subversion in Central America. Throughout Eastern Europe and the Soviet Union the furtherance of human rights is a popular aspiration but not government policy. In sum, a basis does not yet exist for the long-term relationship with the Soviet Union that we want, a relationship marked by restraint and a modicum of cooperation.

Prospects for the Soviet Leadership

The prospects for such a relationship depend on the course that Soviet foreign policy takes in the coming months. All the goodwill and hope in the world on our side will not remove the obstacles the Soviets have created. What really matters is how the Soviet leaders see their own prospects at home and abroad. Here some informed speculation is possible.

The leadership confronts a formidable problem: the state of the Soviet economy. Mr. Andropov has said so, with a candor that some may have found refreshing and that was certainly unusual. The familiar diseases of Communist economies—shortages of goods,

poor quality in those goods that are available, corruption, a thriving black market—have worsened. In short, the iron hand of the central planners stifles initiative, innovation, and imagination. The Soviets are suffering, as well, from the burden of empire: restless nationalities, Eastern European satellites held in check by force and force alone, and overextension in the Third World.

Let me not overstate the difficulties that the Soviets face. The economy is not about to collapse. The Soviet Government has a well-developed capacity for forcing the people it rules to bear hardships. The Russian people—and the other peoples of the Soviet empire—have long experience in adjusting to deprivation. The regime and the people have faced far worse times than these and survived.

There is no sign that their economic difficulties will force the Soviet leaders to reduce their military spending. Nor are their troubles compelling them to pull back from the military adventures they have undertaken or sponsored beyond their borders.

But they have gone no further. If they have not withdrawn from Afghanistan, they have perpetrated no new Afghanistans. For this, the economic squeeze the Soviet leaders must be feeling undoubtedly deserves some credit. The cost of further adventures is likely to look forbidding to them. But even more important, they know they must reckon with America's clear and steady determination to defend Western interests. To the degree the Soviets have become more hesitant about causing new problems over the last 2 years, our firmness and steadiness deserve some of the credit.

Arms Control Negotiations

This lesson—that only Western resolve brings Eastern reasonableness—is nowhere more valid than in arms control negotiations. Before NATO decided in 1979 to respond to the alarming growth in the Soviet nuclear threat to our European allies, the Soviets swore that such a decision would end all hope for a negotiated solution. Their purpose was to derail the decision so that they would have no need to negotiate. Within months of NATO's decision to deploy, the Soviets were at the negotiating table. Now Moscow insists that if NATO goes through with its decision to modernize its intermediate-range nuclear forces, the negotiations will end and the Soviet nuclear threat will be increased.

Even if this were true, the alliance cannot but carry out its plans. What is at stake here goes far beyond the details of the INF [intermediate-range nuclear forces] imbalance. If NATO, as a result of Soviet political pressure, were to abandon a program that is essential to assure the security of Europe, it would be the beginning of the end of an effective Western alliance. If the Soviets learn that we and our allies lack the will, in the face of missile rattling, to carry out difficult decisions commonly arrived at, then we can look forward to ever more aggressive behavior each time we seek to respond to Soviet provocations.

I am convinced that negotiations will not end when our deployments begin. Indeed, while we will spare no effort to get an equitable agreement before we deploy, it may be that the Soviets will not negotiate in good faith until we prove that we will carry out our decision.

We have made a negotiating proposal that offers the Soviets what they want: the elimination of our Pershing II and ground-launched cruise missiles. We and our partners have made clear what we must have in return: the elimination of the Soviet missile threat to which our deployments are a response. It is a matter of principle to us—indeed, a matter of survival—that if there is a threat it must not go undeterred.

The only adequate deterrent to the Soviet threat to our European allies is an American deterrent present in Europe. Some in Western Europe profess to see some logic in the Soviet demand that European security be left to the Europeans, including themselves but excluding America. If there is one fundamental truth of the postwar era, it is that peace and freedom in Europe is possible only if American power is committed to offset Soviet power. British and French power alone cannot meet this requirement; our allies and the Soviets alike know this.

The Soviet objective—which is as evident in their negotiating proposals as it is in their missile buildup—is to place the democracies of Western Europe under a nuclear shadow, to push America back across the Atlantic, and to make the Soviet homeland a sanctuary.

The Soviets seek to appear reasonable and to make us appear unreasonable in the hope of cracking alliance unity and destroying European resolve. If they stick to this aim, they will be utterly disappointed. Far better

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that Yuriy Andropov and his colleagues quickly come to understand what Leonid Brezhnev did not: that debate in the West is a reflection of our unique strength, not our weakness, and that when we say we will accept an equal agreement and nothing less, we mean it.

In the long run, it does not serve Soviet interests to depend on disorder, subversion, and tyranny. It is said that the Soviets take the so-called long view of politics. The facts suggest that they do not. Their invasion of Afghanistan was short sighted; they did not understand that the world would neither forget nor accept this crime. Their support for the war against freedom in Poland is short sighted; they do not understand that the Polish people will never accept enslavement. Their repression of the Soviet Jewish community is short sighted; they do not understand 2,000 years of Jewish history and the will to survive. If Yuriy Andropov and his colleagues would only come to accept the "long view," they would understand that no country can prosper if it depends only on military power; they would understand that no nation can be truly great that denies to its citizens the free practice of their religious and cultural heritage.

We stand ready to cooperate in arrangements that would reduce the differences between us and bring the Soviets into the family of responsible nations. Ours is not an agenda for humiliating the Soviet Union. It is a formula for more cordial, constructive Soviet-American relations. Soviet leaders constantly complain that we do not give them the respect they deserve as a superpower; but the possession of great power carries with it special responsibilities, including the obligation to respect the rights of others, to show restraint, and to live up to universally recognized standards of conduct. The Soviets cannot earn our respect by amassing and misusing power; they can earn it by responsible behavior.

Conclusions

What conclusions can be drawn from this analysis? You may well find reason for pessimism in my remarks. After all, my main themes would have been pertinent at almost any moment during the past 35 years. We find ourselves in the position of the man in the small Jewish community in Eastern Europe in the last century whose job it was to sit at the village gate all day waiting for the approach of the Messiah. "Isn't your job

boring?" someone asked. "Sure it's boring," he replied, "but at least the work is steady."

The work of trying to moderate Soviet conduct over the last three decades has been anything but boring. I wish that it might have been otherwise; international affairs could use a little more tedium. But boring or exciting, we are determined to take the steps necessary to protect our friends and ourselves from aggressive Soviet conduct. We will maintain our alliances, despite the difficulties that such international partnerships always involve. We will sustain the balance of military power, despite the sacrifices that this imposes on our citizens and despite Soviet attempts to undermine popular support for this policy. And we will stand firm on our principles and steady in our position in disputes with the Soviets, although this taxes our patience and our national impulse for problem solving.

We are prepared to work with the Soviets in search of solutions to the problems between us, though we cannot ignore the fact that in most cases these problems are the result of Soviet misconduct. If the Soviets try in earnest to remove the obstacles to a better relationship, they will find us ready for relations of mutual respect, for cooperation in areas of mutual interest, and for insuring that competition remains peaceful where our interests conflict.

To the extent that the Soviets continue to act as international outlaws, we will meet the challenges they present. The American people are committed to this course over the long term—not just for the life of this Administration but for as long as necessary. Like the job of standing at the village gate, we will bring steadiness and perseverance to the task of leading the West.

Whatever course the Soviet Union chooses to follow, we will work on our own and with our friends to build a world order compatible with our values and our interests. The U.S.S.R. is, admittedly, a major player on the world scene. But we must not be mesmerized by that fact. There are other issues, other weighty problems that we can and will deal with no matter what the Soviets do.

We will continue our efforts to revitalize the institutions of international economic cooperation, to spur recovery and promote domestic and international economic growth. We will continue our efforts to resolve dangerous conflicts. I need not remind this audience of our

deep concern for peace in the Middle East. That concern is the basis for the President's September initiative. We are committed to the security of Israel within defensible borders; we will work for a peaceful, united Lebanon and a just resolution of the Arab-Israeli conflict. We will continue our global efforts to make the peaceful settlement of disputes the normal international practice. We will, as well, remain dedicated to the protection of human rights throughout the international community, a goal which is threaded throughout our entire foreign policy.

These endeavors will proceed with or without Soviet cooperation. These efforts must be made whatever the state of U.S.-Soviet relations. And the more peaceful, prosperous, and humane the international community becomes, the fewer opportunities there will be for Soviet mischief and the stronger the pressure on Soviet leaders to moderate their conduct and eventually accept a role as a great and responsible nation.

My message tonight is not a dramatic one. I cannot promise sweeping changes in U.S.-Soviet relations. There is no basis for such a promise. I cannot tell you when modest improvements will take place. That is up to the Soviets. And I must caution you that improvements, if they do come, are bound to be modest. We will not see the day of days with the Soviet Union. Our rivalry will, I fear, outlive all of us in this room. But we can hope, and work, to see days more tranquil, less heavy with menace, than those of the recent past. ■

Visit of Egyptian President Mubarak

President Hosni Mubarak of the Arab Republic of Egypt made an official working visit to Washington, D.C., January 26-28, 1983, to meet with President Reagan and other governmental officials. Following are remarks by the two Presidents after their meeting on January 27.¹

President Reagan

President Mubarak and I have just had a comprehensive and a useful discussion, first in my office and then over lunch. And, as might be expected given our full partnership in search for regional peace and security, there was broad agreement on the critical issues facing us in the Middle East and in Africa.

We reviewed the situation in Lebanon, and I assured President Mubarak of my determination to support the territorial integrity, the independence, and the sovereignty of Lebanon to the end. And to that end, there must be early withdrawal of all foreign forces.

We also discussed the urgent need to achieve a comprehensive peace settlement for the Middle East which would permit all the states in the region to live in peace, while meeting the legitimate rights of the Palestinian people. In that regard, I thanked President Mubarak for his support of my September peace initiative and promised to work closely with him to expand the peace process.

On Africa, I reaffirmed our support for Egypt's constructive efforts as the leading African power to promote the stability and development of African countries and institutions.

On the bilateral questions, I reiterated the importance of our economic and military assistance for Egypt and assured the President that our assistance will complement his economic policy and development priorities.

Specifically, we wish to support the priorities of the new Egyptian 5-year plan, with emphasis on the increasing agricultural and industrial productivity and the rehabilitation and expansion of the water and related disposal systems in Egypt's major urban centers.

In response to President Mubarak's request for more flexible economic assistance, our ministries will work together to find ways and means for rapidly dispersing such assistance. We also will explore with the Congress the



ways to permit some reprogramming of funds to high priority areas.

President Mubarak's visit, the second since he was elected to office, emphasizes the special nature of our relations with Egypt and the importance I assign his friendship and wise counsel.

Our two countries share a common dedication to building in the Middle East something that is peaceful and prosperous and secure from outside intervention. The Egyptian-American full partnership has accomplished much toward the realization of that ideal. We will continue to build on our record of accomplishment, and I look forward to working with our friend, my friend, President Mubarak, toward that end.

President Mubarak

I was very pleased to meet again with my friend, President Reagan, and to pursue our discussions of issues of mutual concern. As the President just stated, we had an opportunity to review the situation in the Middle East with a view of enhancing the prospects for peace and stability in that troubled region.

We focused on the situation in Lebanon and the negotiations on the Palestinian question. I welcomed President Reagan's assurances of the U.S. determination to continue to play the role of the full partner in the peace process. I also welcomed his reaffirmation of the U.S. commitment to support the territorial integrity, independence, and sovereignty of Lebanon.

The time factor is crucial to the success of our endeavors. Top priority must be given to reaching agreement on the withdrawal of Israeli forces. Upon achieving that, other aspects of the problem would be easier to solve.

We have always seen the necessity to make meaningful progress toward a

comprehensive settlement. In this respect, the centrality of the Palestinian problem in the entire dispute becomes self-evident. With this in mind, we supported President Reagan's initiative on September 1st, 1982. We earnestly hope that the weeks ahead will witness movement toward the negotiating table by all the parties concerned.

I am pleased to say that I was encouraged by what I heard from King Hussein of Jordan and the Palestinian leadership, together with several other Arab leaders. I believe that a golden opportunity exists, and it would be a grave mistake to miss it.

I also believe that the peace process would be enforced if the United States moves further in the direction of supporting the right of the Palestinian people to self-determination.

We agreed that the Israeli settlement policy is a serious obstacle to peace. Therefore, efforts must be exerted to bring about a total freeze of settlement activities.

I discussed with the President certain aspects of the war between Iran and Iraq and the need to exert additional efforts for the purpose of achieving an immediate termination of hostilities.

On bilateral matters, we discussed issues related to economic and to military cooperation. I expressed to President Reagan our gratitude to the American people for their unwavering support. This will enhance our ability to cope with the economic problems we are confronting. The United States has proven it is a real and reliable friend. We are determined to deepen that friendship and intensify our cooperation.

¹Text from Weekly Compilation of Presidential Documents of Jan. 31, 1983. ■

Nuclear Nonproliferation: Our Shared Responsibility

by Richard T. Kennedy

Address before the American Nuclear Society in San Diego on January 25, 1983. Ambassador Kennedy is U.S. Representative to the International Atomic Energy Agency (IAEA) and special adviser to the Secretary on non-proliferation policy and nuclear energy affairs.

In January 1976 in an appearance before a Senate committee, David Lilienthal, the first chairman of the U.S. Atomic Energy Commission, gave us his chilling personal view of nuclear proliferation. "If a great number of countries come to have an arsenal of nuclear weapons," Lilienthal said, "then I am glad that I am not a young man and I'm sorry for my grandchildren."

The prospect of nuclear proliferation which worried David Lilienthal 7 years ago is still a cause of grave concern. How to head off this threat in the years ahead is one of the most important questions for the future of world order. This then is an appropriate time, in a conference concerned with the technical aspects of nuclear commerce, to examine this problem together.

Around the world today, nuclear industries face a dearth of domestic orders for new facilities. Thus, there is a natural tendency by supplier nations to reach out for foreign orders to support their domestic industries and to sustain the infrastructure they have developed at great expense over so many years. They want to keep that industry healthy so that it will be available to meet the anticipated future domestic demand. New suppliers also are coming on the scene, anxious to generate business on their own.

More is at stake, however, than the natural and understandable quest for markets. These conditions may place a strain on the system of nonproliferation norms and restraints which the international community has put into place in the last 25 years. In that light, then, we all must share David Lilienthal's concern; more than that, we must do something about it. That's what I want to speak about this evening—our shared responsibility to prevent the spread of nuclear explosives.

Thirty years ago, President Eisenhower took a historic step which, in a

sense, created the worldwide civilian nuclear industry: He inaugurated the Atoms for Peace program in 1953. By this generous act, the United States volunteered to share the nuclear technologies it had developed so that they could benefit all mankind. In the intervening years, American policy has sought to assure that nations could benefit from the peaceful application of nuclear technology under a system which prevented the misuse of that technology. Atoms for peace, not war, has been our objective. The United States worked strenuously to establish the International Atomic Energy Agency in 1957 to pursue those same goals and the same rationale. And we worked to bring into force the Nuclear Nonproliferation Treaty seeking those very goals—to assure the benefits of nuclear technology and to prevent its misuse. Those twin and complementary goals are still at the base of our national policy.

While there has been a broad continuity with past Administrations on nonproliferation policy goals, the Reagan Administration's policy is neither identical to nor interchangeable with the policy of former times. There have been changes—some subtle, some more obvious.

We, for instance, have no pangs of conscience about nuclear power. We think it is a clean, efficient, and reasonable way to generate electricity. As far as we are concerned, it is not a choice of last resort. We see it instead as a key element in our domestic energy future. And we see nuclear-generated energy as important for the economic development and energy security of many nations around the world. For resource-starved developing countries, as well, nuclear power will not be a choice of last resort. Some of the most prosperous nations on Earth—Japan, for example, or some of the nations of Western Europe—have not been blessed with abundant sources of domestic energy. There too, nuclear power is critical to their well-being and energy security.

We believe strongly that the United States must be—and must be seen to be—a predictable and reliable supplier of nuclear materials and technology. For only in that event can we reasonably expect to exert the influence which our technological experience and competence could rightly be presumed to yield.

We stand by the idea, too, that, where the necessary nonproliferation conditions are met, all nations can and should enjoy the benefits of nuclear energy—to power their industry, to hasten their development, to light their cities, to contribute to the health and well-being of their people, to curing and diagnosing their illnesses. The peaceful atom can do that if we let it.

There have been other departures by this Administration from the policies of our predecessors on questions of how we set out to accomplish our goals. To the extent that we have taken a different course, it is because we are convinced that in the long run these steps will better serve our nonproliferation goals.

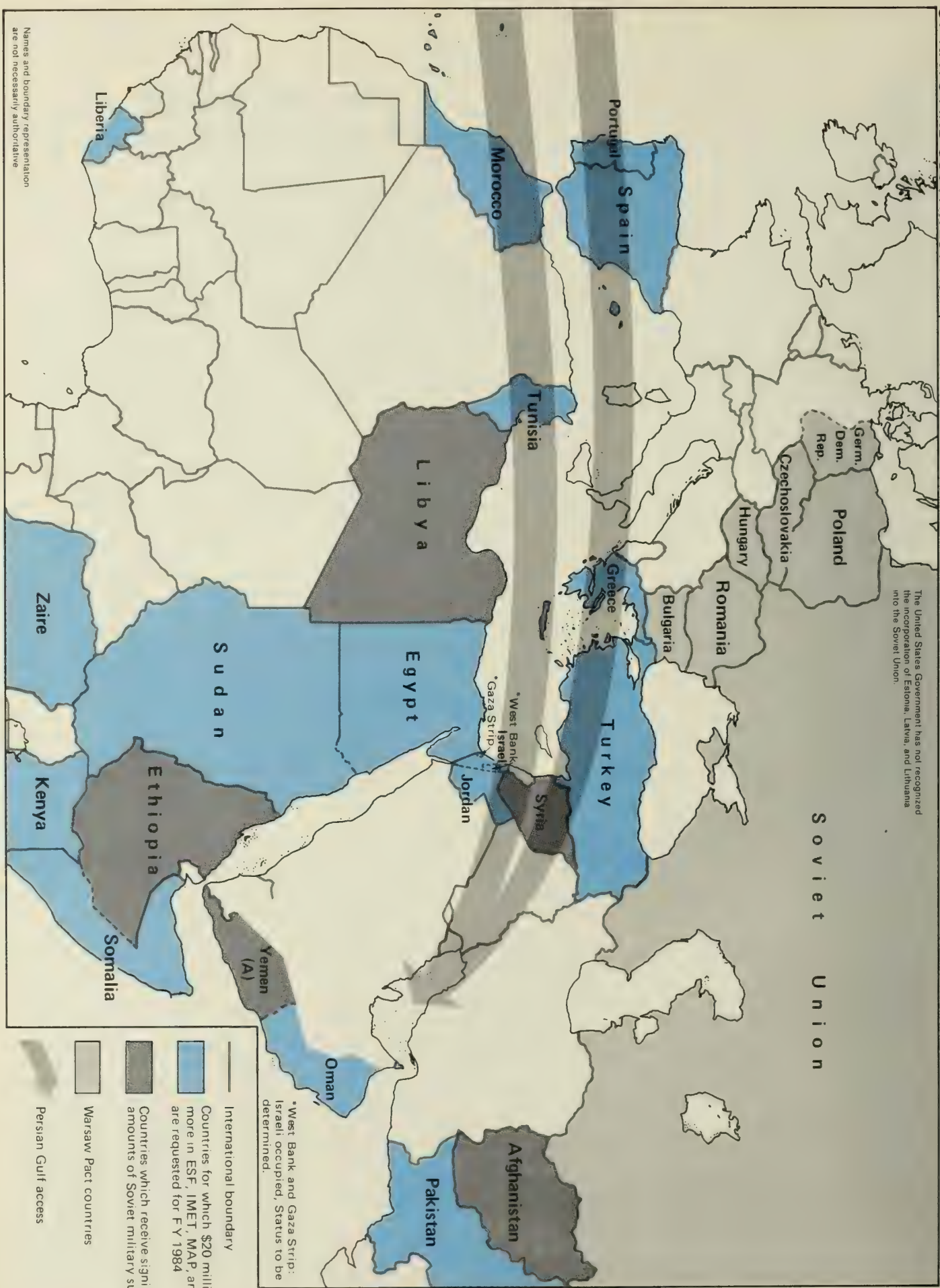
Let me be specific. We recognize that plutonium is an inherently dangerous substance. It is a basic element of nuclear weapons. How to control it is a very real and substantial challenge for any nonproliferation regime. Thus, our policy seeks to inhibit the spread of sensitive technology, facilities, and material, which could lead to production of weapons-usable material, particularly where there is a risk of proliferation. We do want to restrict the number of reprocessing plants around the world and to limit other sensitive fuel cycle activities. These are not and should not be items of general commerce.

At the same time, the leaders of Japan and of many European countries believe that plutonium fuel is both economical and necessary to their long-term energy security. One approach to this factual situation would be to conduct a series of metaphysical meditations on the nature of the so-called plutonium economy. We are not doing that. Instead, we are seeking to work with Japan and EURATOM [European Atomic Energy Community] to achieve our shared goals of rigorous standards, controls, and safeguards for the reprocessing and use of plutonium. Working with them, we also shall insure physical security for plutonium shipments. At the root of this more flexible approach is our conviction that such nuclear activities pose no risk of proliferation in Japan and EURATOM.

There are some nations whose views on safeguards and nuclear supply, or on the Nuclear Nonproliferation Treaty, differ from our own. Not every nation in the world agrees with our policy and all of its ramifications. We recognize that. But rather than cutting off contact with those nations or treating them with stony silence, we are trying to open a dialogue with them. If we are to have

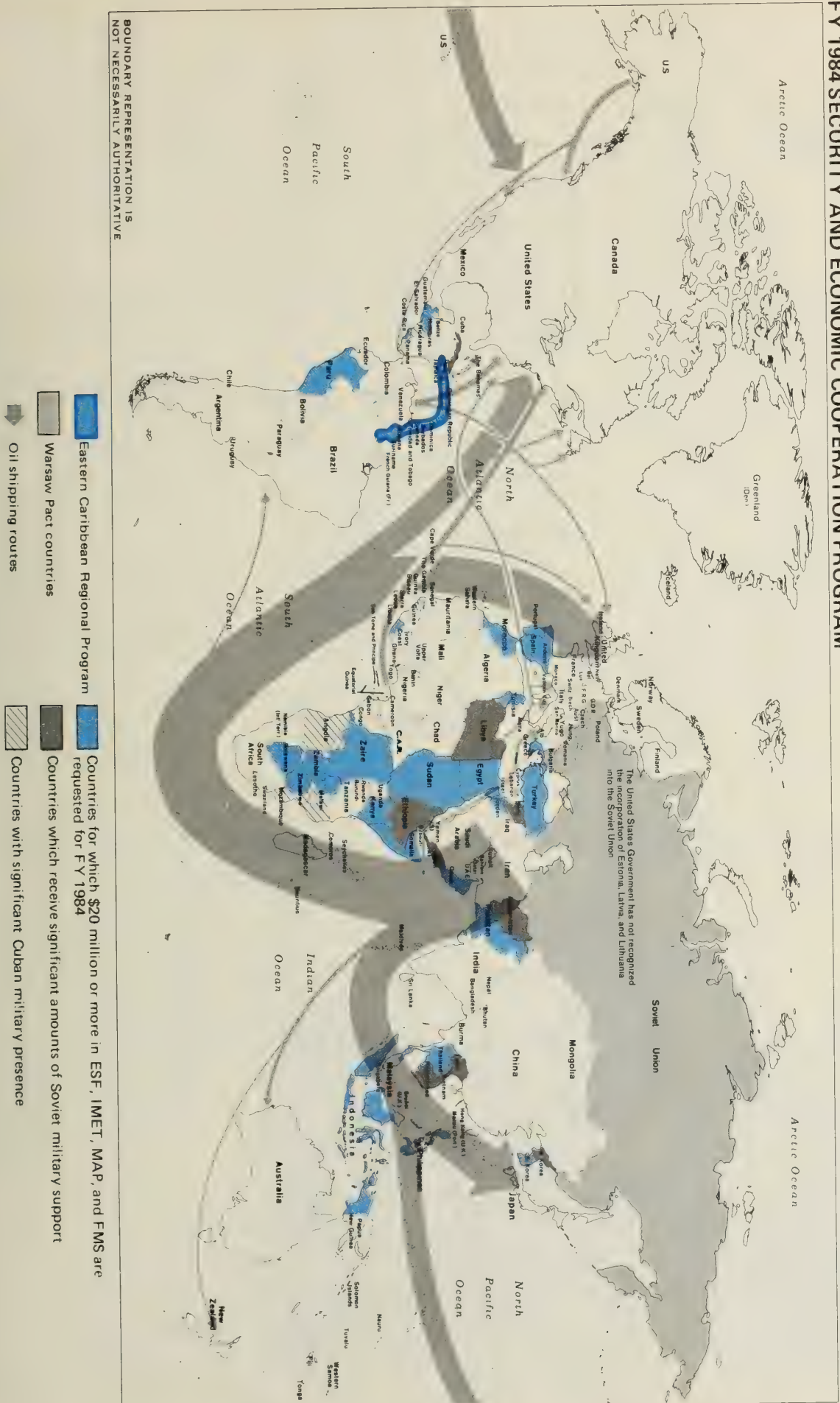
PROGRAMS TO SUPPORT COUNTRIES IN SOUTHERN FLANK OF NATO AND SOUTHWEST ASIA/PERSIAN GULF

The United States Government has not recognized the incorporation of Estonia, Latvia, and Lithuania into the Soviet Union.



Names and boundary representation are not necessarily authoritative

FY 1984 SECURITY AND ECONOMIC COOPERATION PROGRAM



CORRECTION

The two maps on pages 72 and 73
of the March 1983 issue of the
Department of State Bulletin are
incorrect. This addendum provides
correct information.

SOUTH ASIA

any influence, if our views are to be understood, if there is to be any hope of having our views prevail, we must talk with one another and try to find ways to resolve the issues which divide us. As a general proposition, we favor dialogue over confrontation, persuasion over intimidation, and common sense over iron dogma.

So, if our policies and their concrete applications on occasion depart from those of former times, it is not because we are insensitive to the dangers of nuclear proliferation. It is not because we are prepared to put commerce ahead of global security. Rather, the changes we are making are based on judgments about how best to win the necessary support of other countries and to create the consensus needed to further a sound nonproliferation regime. Only in that way can we put to rest David Lilienthal's fears.

In other areas, continuity is the hallmark of our policy. There are standards for nuclear commerce and supplier guidelines in place today. These are the rules of the game and, as such, are part of the technical basis for nuclear commerce. In the future, we expect those standards to become even more specific and more complete. No list of sensitive items can be immutable; over time, it must be elaborated as new technologies

develop, new uses for old technologies are devised.

When that list gets tougher, exporters everywhere should honor it. Humanity's interest in a stable world order cannot be jeopardized so that nuclear suppliers can win contracts or enhance their competitive position. The global nonproliferation regime—including the principle that the pursuit of nuclear explosives is inconsistent with nuclear cooperation for legitimate peaceful purposes—cannot be shaded so that someone can realize a short-term economic advantage. On the contrary, nuclear suppliers in their own self-interest must work together to produce a framework of institutions and practices which minimizes the risk of proliferation. More than that, nuclear suppliers around the world should take the lead in strengthening the rules of trade and making sure they are known, understood, and observed.

New nuclear suppliers are entering upon the scene, joining the advanced industrial states as sources of material and expertise. They must be brought to see that adherence to a regime of carefully constructed export restraints and practices will serve their self-interest and promote their well-being.

Indeed, all countries have an interest in insuring a sound and rational

framework of nuclear safeguards and rules. Without such a framework, nuclear commerce will not be possible for long and the benefits of the peaceful atom will be lost.

As I have said on so many occasions before, both here and abroad, everyone should know that this Administration will never sacrifice nonproliferation goals for commercial gain or economic advantage. We have set this high standard for our own conduct, and we believe it should be the universal norm.

A few weeks ago, I addressed a group within the State Department at what we call our "Open Forum." My theme that day was that nonproliferation is a fundamental and pervasive element in American foreign policy and a key national security goal. My statement was: "Nonproliferation is everybody's business . . ." To the nuclear suppliers and representatives of foreign nations in the audience tonight and to the nuclear industry generally, I repeat: "Nonproliferation is your business, too. It is our shared responsibility."

We, of course, recognize that a policy of technical denial can't do the job alone or forever. No one has a monopoly any longer. Nuclear technology and industrial expertise are increasingly widespread.

Why should we even bother then with trying to strengthen nuclear export

President Reagan Meets With Afghan Freedom Fighters

On February 2, 1983, President Reagan met with a group of six Afghan freedom fighters at the White House to express U.S. concern and sympathy for these people because of continuing Soviet occupation of their country. Left to right: Mir Ne' Matollah Syeed Mortaza, Habib-Ur-Rehman Hashemi, villagers from Lowgar; President Reagan; Michael Barry, interpreter; Omar Babrakzai, judge and group spokesman; Mohammad Suafoor Yousofzai, resistance leader; Gol Mohammad, villager from Lowgar; and Farida Ahmadi, a former medical student. ■

(White House photo by Michael Evans)



UNITED NATIONS

controls? The answer is simply: Our efforts to create a consensus behind rigorous rules of nuclear trade are aimed at buying time. And we can buy time; we can lessen the danger for a time. But, we must use that time wisely. We must use it to eliminate or, at least, reduce the threats, real or imagined, which can spur countries to seek the bomb. We must ask the leaders of other countries that may be toying with the idea of "going nuclear" to think through the whole proposition soberly and dispassionately. They must ask themselves whether "going nuclear" in the 1980s will truly serve their national interests or promote their national security.

We think the answer is clearly "no." The imagined benefits of such an undertaking will be illusory. Proliferation begets proliferation; it is synonymous with instability and the heightening of tensions and is destructive of everyone's security. Here, as in so many cases where emotions dominate reason, the action produces an effect precisely the opposite from that which was sought or intended. Nations looking for security by setting out to acquire nuclear weapons will find only insecurity. Nor will the acquisition of nuclear weapons guarantee honor or prestige; on the contrary, it will breed suspicion and distrust.

For my own part, I am optimistic that reason will prevail. Twenty years ago, American policymakers seriously talked of a world with 25 to 30 nuclear-weapons states by the 1980s. They were wrong. Instead of 25 to 30, we have today only 5 declared nuclear states, and India which conducted what it called "a peaceful explosion" in 1974. On the other hand, 116 nations, the vast majority of the nations on Earth, for their own reasons and in their own interests, have become parties to the Nuclear Nonproliferation Treaty of 1968.¹ That is very encouraging.

On the negative side, we must realistically acknowledge that with the passage of time more countries can reach the threshold: With time and money—and a political will to do so—they could probably produce nuclear weapons. Our task is to deflect them from such a self-defeating course. The proliferation of nuclear weapons is not inevitable. Preventing it is not impossible. And to prevent it will benefit every human being on Earth.

In the final analysis, nonproliferation has to be everybody's business, everybody's concern, everybody's priority. Each of us can help set a tone and can

help lead the way. This is a truly great responsibility, but it is also a great opportunity. The task is formidable, but I am convinced that we can succeed. This responsibility that we share demands our best, our most careful, our most thoughtful efforts. With those efforts,

we can—we will succeed. For succeed we must.

¹In addition, three declared nuclear-weapons states (U.S.S.R., United Kingdom, and United States) have signed the Nuclear Nonproliferation Treaty. ■

U.N. Secretary General Meets With the President

On January 14, 1983, U.N. Secretary General Javier Perez de Cuellar y Guerra met with President Reagan at the White House. Following is a White House statement issued at the conclusion of their meeting.¹

The President was gratified that the Secretary General was able to accept his invitation to visit Washington following the two meetings they had in New York last year. During their 35 minutes together, the President and the Secretary General held a most constructive discussion on a number of international issues.

The President reaffirmed his Administration's support for the United Nations and his commitment to the principles underlying the organizations, while noting that the United States differs at times with others on how best to carry forth the Charter's mandate and that greater fiscal restraint is needed in the United Nations. The President had particular praise for the Secretary General's superb efforts in seeking a resolution of the Falklands/Malvinas conflict last year. Among other subjects discussed were the Middle East, in-

cluding renewal of UNIFIL's [U.N. Interim Force in Lebanon] mandate; Afghanistan; Kampuchea; Latin America; and the economic difficulties of developing countries.

On behalf of the American people, the President wished the Secretary General well and pledged our continued support as he pursues his challenging task of helping to create a more peaceful world.

Others in the meeting included the Vice President, Secretary Shultz, Ambassador Kirkpatrick, Judge Clark, Robert McFarlane, Assistant Secretary of State for International Organizations Gregory Newell, and senior NSC staff member Michael Guhin. Undersecretary General for Political and General Assembly Affairs William Buffum accompanied the Secretary General.

Following the meeting with the President, the Secretary General attended a working lunch hosted by the Vice President at Blair House and is having subsequent meetings today with Secretary Shultz, Ambassador Brock, and Secretary Regan.

¹Text from Weekly Compilation of Presidential Documents of Jan. 17, 1983. ■



Certification of Progress in El Salvador

by Thomas O. Enders

*Statement before the House Foreign Affairs Committee on February 4, 1983. Ambassador Enders is Assistant Secretary for Inter-American Affairs.*¹

The Congress has authorized military assistance to El Salvador because the survival of that country is important to American security. The outcome of civil strife there can affect the future of the Panama Canal and of our immediate neighbor Mexico. And we are mindful that no less than one-half of our trade passes through the Caribbean.

The Congress has also conditioned military assistance to El Salvador on periodic certification of progress in human rights, land reform, and the creation of democratic institutions.

One could argue about the procedure adopted. Many of us don't feel comfortable with having to say it's OK—or not OK—every 180 days with no third choice. Periodic certifications can polarize opinion here, obscuring a broad agreement that we don't want to see Central America dominated by Marxist-Leninists but do want to see it reform. Or they can threaten the morale of our friends in the area, who fear that aid may be suddenly withheld. Or they can give an opportunity to the guerrillas, who have found that a "certification of fensive" is a natural medium for publicizing themselves. And such major factors as Cuban/Nicaraguan support for guerrilla forces are left out altogether.

But Congress clearly intended to give the Administration in certification a means to encourage and insure progress toward human rights, land reform, and democracy. And no one can argue about the goals.

- Only through the emergence of legitimate institutions, in which all factions can participate, will the civil strife in El Salvador be overcome.

- Only when political violence, including that of government forces, has finally been ended, can representative institutions be fully effective.

- And only when the process of redistributing land, whose ownership was once cruelly unequal, has been completed will there be social justice.

Progress

This third certification does not say that these goals have been achieved. It says that El Salvador continues to advance toward them.

The certification says that the land-to-the-tiller phase of agrarian reform—whose future was a matter of such concern at the time of the last certification—has been vigorously relaunched. Look at this table (below). No less than 9,638 farmers filed title applications in the second half of 1982. If you include family members, that means some 60,000 new beneficiaries of land reform once the applications are processed. More than 20% of arable land has been redistributed since U.S. aid to El Salvador began 3 years ago.

The certification says that political violence continues to diminish, although at a slower rate than at the time of the second certification. When a group of reforming officers overturned the old order in El Salvador in 1979, an explosion of violence by right and left occurred—anarchy really—in which every man could inform on every other and in which security forces, vigilantes, and guerrillas all took justice into their own hands. This anarchy has gradually abated, as the government has instructed its forces in human rights concerns and extended its range of control. Look at the chart (see page 90). Political violence is only a quarter of what it was 2 years ago.

The certification says that the fragile new democracy that emerged

from the war in the massive turnout of the March elections has proved resistant to the manipulation of individuals or minorities. The country is headed toward full presidential elections a year from now on the basis of a new constitution. Democracy is little by little emerging.

Problems

Grave problems remain. The judicial system is not working. Often soldiers disciplined and turned over to it simply remain in detention without being prosecuted. One alleged participant in the murder of two American land reform workers—a man whose probable guilt was established by a government-appointed and army-supported commission of inquiry—was set free by judges intimidated or bought. And although two more are detained and being prosecuted, yet another is a fugitive. A trial process has begun for the accused murderers of four American churchwomen. But all of us are still waiting for justice to be done.

Moreover, dissenting views in the coalition have so far prevented the government from going forward with two initiatives that are essential to moderate the conflict: a serious amnesty and the peace commission to promote reconciliation with adversaries.

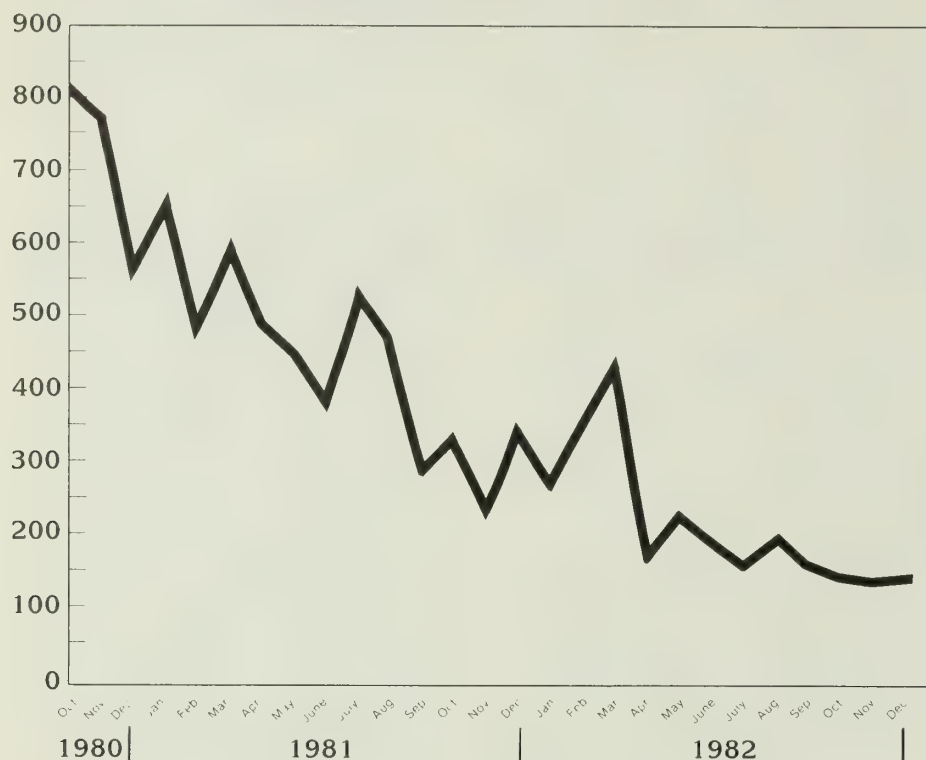
Process of Building a Consensus

These points bring me to some of the issues raised in your January 31 letter inviting me to these hearings. Even though progress is sometimes maddeningly slow—for instance on the promised peace commission and amnesty—our judgment of the political situation is that

Phase III Agrarian Reform Status (Decree 207)

	As of 7/31/82	As of 12/31/82	Change
Number of farmers who have filed title applications for land (direct beneficiaries)	29,706	39,344	+ 9,638
Total beneficiaries (Estimated at 6 members per family)	178,236	236,064	+ 57,828
Land area affected (acres)	121,100	155,237	+ 34,137
Title petitions filed	37,235	50,409	+ 13,174
Provisional titles issued	32,349	34,674	+ 2,325
Property owners compensated	13	136	+ 123
Amount of compensation paid	\$614,130	\$3,584,199	+ \$2,970,069
Definitive Titles	251	408	+ 157
Reinstallation of evicted beneficiaries	2,138	2,532	+ 394

Press Reports of Civilian Deaths Attributable to Political Violence,
October 1980-December 31, 1982



the center is holding and gradually expanding. The process of building a consensus through constant and close consultations among divergent factions is an integral part of the way the Salvadoran political system is now working.

On the military side, the war has been largely localized over the past year. The guerrillas periodically mount hit-and-run attacks. Government forces then dislodge them. Although neither side seems able to gain a decisive military advantage, guerrilla military actions are proving unable to prevent the gradual strengthening of democratic political processes.

The economy is in trouble. The guerrillas have mounted a destructive campaign of economic sabotage in an effort to sow dissatisfaction and fear among the Salvadoran people. The world recession has been especially costly to Central America and Latin America as a whole. Investors and lenders shy away from any business environment as uncertain as that of El Salvador. Real gross domestic product has declined by some 25% in 3 years; unemployment now approaches 40% in many areas of the country. The decline was slower in 1982 than in the previous 2 years, and there

is hope for a better performance in 1983.

As noted in the certification report, the government is making a serious effort to improve the human rights behavior of government forces. Progress has been uneven. It has been greatest with the national police. Other forces have been less successful, especially those with highly decentralized structures which impede close monitoring by their commanders. Again, I would refer you to the certification report for more details.

Also as noted in the certification report, we continue to be dissatisfied with the functioning of the Salvadoran judicial system. Ambassador Hinton's [Deane R. Hinton, U.S. Ambassador to El Salvador] October speech before the American Chamber of Commerce in San Salvador, the certification report, and every other major statement of U.S. policy make clear that this is one of our highest concerns. Some of the progress in two U.S. citizen cases has taken place since the Hinton speech, but, as I noted earlier, we are still waiting for justice to be done.

The certification report contains detailed statistical information on the progress of the land reform. Statistics

received only yesterday confirm the great strides made in the land-to-the-tiller program since the last certification. During the month of January alone, almost 27,000 additional acres were brought under that program, based on 8,142 new title petitions from peasants working the land. Most impressively, and with the broadest implications for the permanence and stability of the program, in January 738 new final titles were issued to peasants—almost five times more than were issued in any previous month and more than doubling the cumulative total of final titles issued by the end of December. By any standards, phase III is now advancing rapidly.

We will support renewal of the land-to-the-tiller program when it comes up for continuation in March. The program has already been extended twice, in 1-year increments, since the passage of the original law. The proportion of expected beneficiaries who have actually made application for title remains dramatically lower in departments of high guerrilla activity than, for instance, in the four relatively tranquil western departments. With such large blocks of potential beneficiaries still waiting, the agrarian reform must be extended.

With regard to your last question, human rights abuses in El Salvador are not rooted in any single cause, much less in any cause that could be removed quickly by any particular policy of the Government of El Salvador. It is not reasonable to expect that all abuses could end within 6 months. Nor would it be realistic for the United States to fashion a policy based on such an assumption.

Over the last 3 years, U.S. assistance has contributed decisively both to the ability of El Salvador to resist the attempts of guerrillas with external support to seize power and to El Salvador's ability to reduce violence while undertaking a process of democratic transformation and socioeconomic reform. Our continued assistance is vital to the consolidation of these processes.

Some people say: Stop the military aid to El Salvador, and the killing will stop. But it wouldn't. Cessation of military aid would mean only that the fighting—now concentrated in four departments, three of them lightly populated—would spread to all frontiers. And the death squads and vigilantes would once again flourish as the central government faltered.

Others say: Force the government to negotiate with its adversaries, and the

TREATIES

killing will stop. But it wouldn't. No Latin American government has ever agreed to negotiate as an equal with its armed opposition—and survived. Venezuela didn't agree to do so in the 1960s. Nor did Peru or Brazil. Colombia didn't this year. And El Salvador is not pre-Fidelista Cuba or pre-Sandinista Nicaragua. If we attempt to force the Government of El Salvador to negotiate with the guerrillas as equals, we risk its collapse. And the result could be anarchy as left, center, and right all fight for the remains.

And should, in either case, the guerrillas prevail, we know there will be no democracy, no respect for human rights, no land to the individual tiller.

A Regional Approach

If power sharing without reference to democratic principles is no solution, what is? The answer is inescapable: the cooperative development of political processes that are democratic and that provide the security as well as the means for reconciliation.

And not in El Salvador alone. For just as the fighting has become a regional problem, the solution must be regional as well. And our objective must be to foster conditions, both political and military, that will bring lasting peace to Central America.

Last October, the Government of Costa Rica helped define a set of principles we believe can help achieve that goal. Both El Salvador and the United States signed the final act of San Jose setting forth eight principles, which single out respect for human rights and the development of democracy and which also include reciprocal measures to reduce and eliminate military conflicts. These principles embody four basic points:

- Taking Central America out of East-West competition, through such measures as removal of foreign troops and military advisers;
- Defusing tensions among nations in Central America by reciprocal and verifiable agreements on arms imports, frontier control, and assistance to insurgent groups in each other's territory;
- Launching a region-wide democratic transformation, by insuring that all citizens who organize politically can have a voice in determining the future of their country; and
- Strengthening the economies, by reactivating the Central American Common Market and implementing the eco-

nomic initiatives of neighboring countries, including our own Caribbean Basin initiative.

Together these four points represent what we are aiming at in Central America.

Conclusion

For El Salvador, the fourth certification period is now starting. I hope that the message from this hearing will be that:

- We expect land reform to be continued when the law authorizing it comes up for renewal this spring;
- If civil justice cannot be made to work in an emergency, courts of military justice should be set up and used to punish those members of the security forces who are found guilty of abuses;
- The long, hard work of reconciliation must begin now, with the peace commission and amnesty;
- We expect the alleged murderers of our countrywomen and countrymen to be judged and, if found guilty, punished; and
- The survival of El Salvador is important to us, and that we will support a country which reforms itself to resist enemies who we know will not support democracy, or human rights, or the distribution of land to the farmer who tills it.

The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Current Actions

MULTILATERAL

Arbitration

Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force June 7, 1959; for the U.S. Dec. 29, 1970. TIAS 6997.
Accession deposited: New Zealand, Jan. 6, 1983.

Atomic Energy—Uranium

Agreement amending the fourth supply agreement of Jan. 16, 1980 (TIAS 9767), for the transfer of enriched uranium for a research reactor in Yugoslavia. Signed at Vienna Dec. 14, 15, and 20, 1982. Entered into force Dec. 20, 1982.

Parties: International Atomic Energy Agency, U.S., Yugoslavia.

Coffee

Extension of the international coffee agreement 1976 (TIAS 8683). Done at London

Sept. 25, 1981. Entered into force Oct. 1, 1982. TIAS 10439.
Accessions deposited: Australia, Jan. 5, 1983; Jamaica, Jan. 21, 1983.

Commodities—Common Fund

Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.¹
Signatures: Jamaica, Jan. 6, 1983; Mozambique, Dec. 21, 1982; Saudi Arabia, Jan. 11, 1983.

Containers

International convention for safe containers (CSC), with annexes. Done at Geneva Dec. 2, 1972. Entered into force Sept. 6, 1977; for the U.S. Jan. 3, 1979. TIAS 9037.
Accessions deposited: Barbados, Sept. 1, 1982; South Africa, June 25, 1982.
Territorial application: Extended to the Isle of Man by the U.K. effective June 19, 1982.

Marine Pollution

Convention on the prevention of marine pollution by dumping of wastes and other matter, with annexes. Done at London, Mexico City, Moscow, and Washington Dec. 29, 1972. Entered into force Aug. 30, 1975. TIAS 8165.
Ratification deposited: Greece, Aug. 10, 1981.²

Maritime Matters

Amendments to the convention of Mar. 6, 1948, on the International Maritime Organization, as amended (TIAS 4044, 6285, 6490, 8606, 10374). Adopted at London Nov. 15, 1979.¹
Acceptances deposited: Ethiopia, Dec. 8, 1982; Pakistan, Dec. 10, 1982; Portugal, Dec. 22, 1982; Tunisia, Jan. 5, 1983.

Nuclear Weapons—Nonproliferation

Treaty on the nonproliferation of nuclear weapons. Done at Washington, London, and Moscow July 1, 1968. Entered into force Mar. 5, 1970. TIAS 6839.
Accession deposited: Nauru, June 7, 1982.

Patents—Plant Varieties

International convention for the protection of new varieties of plants of Dec. 2, 1961, as revised. Done at Geneva Oct. 23, 1978. Entered into force Nov. 8, 1981. TIAS 10199.
Ratification deposited: Sweden, Dec. 1, 1982.

Pollution

Convention on long-range transboundary air pollution. Done at Geneva Nov. 13, 1979.
Enters into force: Mar. 16, 1983.

Postal

General regulations of the Universal Postal Union, with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Done at Rio de Janeiro Oct. 26, 1979. Entered into force July 1, 1981. TIAS 9972.
Approval deposited: China, Nov. 25, 1982.

TREATIES

Accession deposited: El Salvador, Nov. 11, 1982.

Ratifications deposited: Spain, Oct. 15, 1982; Syria, Nov. 5, 1982.

Money orders and postal travelers' checks agreement, with detailed regulations with final protocol. Done at Rio de Janeiro Oct. 26, 1979. Entered into force July 1, 1981. TIAS 9973.

Accession deposited: El Salvador, Nov. 11, 1982.

Ratifications deposited: Spain, Oct. 15, 1982; Syria, Nov. 5, 1982.

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (INTELSAT), with annexes. Done at Washington, Aug. 20, 1971. Entered into force Feb. 12, 1973. TIAS 7532.

Accession deposited: Cape Verde, Jan. 6, 1983.

Operating agreement relating to the International Telecommunications Satellite Organization (INTELSAT), with annex. Done at Washington Aug. 20, 1971. Entered into force Feb. 12, 1973. TIAS 7532.

Signature: Post and Telecommunications Public Enterprise, Cape Verde, Jan. 6, 1982.

Sugar

International sugar agreement, 1977, as extended. Done at Geneva Oct. 7, 1977.

Entered into force provisionally, Jan. 1, 1978; definitely, Jan. 2, 1980. TIAS 9664.

Notification of withdrawal deposited: Singapore, Jan. 4, 1983; effective Jan. 1, 1983.

Telecommunications

Radio regulations, with appendices and final protocol. Done at Geneva Dec. 6, 1979. Entered into force Jan. 1, 1982, except for (1) arts. 25 and 66 and appendix 43 which entered into force Jan. 1, 1981 and (2) certain provisions concerning aeronautical mobile service which entered into force Feb. 1, 1983. Senate advice and consent to ratification: Dec. 21, 1982.³

Terrorism

International convention against the taking of hostages. Done at New York Dec. 17, 1979.¹ Ratification deposited: U.K., Dec. 22, 1982.

Trade

Protocol extending the arrangement regarding international trade in textiles of Dec. 20, 1973, as extended (TIAS 7840, 8939). Done at Geneva Dec. 22, 1981. Entered into force Jan. 1, 1982. TIAS 10323.

Ratification deposited: Switzerland, Nov. 8, 1982.

Agreement on implementation of art. VII of the General Agreement on Tariffs and Trade (customs valuation). Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1981.

Protocol to the agreement on implementation of art. VII of the General Agreement on Tariffs and Trade (customs valuation). Done

at Geneva Nov. 1, 1979. Entered into force Jan. 1, 1981.

Acceptance deposited: Australia, Nov. 22, 1982.

Protocol for the accession of Thailand to the General Agreement on Tariffs and Trade.

Done at Geneva Oct. 21, 1982.

Entered into force: Nov. 20, 1982.

Transportation—Foodstuffs

Agreement on the international carriage of perishable foodstuffs and on the special equipment to be used for such carriage (ATP), with annexes. Done at Geneva Sept. 1, 1970. Entered into force Nov. 21, 1976.

Instrument of accession signed by the President: Jan. 17, 1983.

Accession deposited: U.S., Jan. 20, 1983.

Enters into force for the U.S.: Jan. 20, 1984.

Whaling

Amendments to the schedule to the international convention for the regulation of whaling, 1946 (TIAS 1849). Adopted at Brighton July 20–25, 1981.

Entered into force: Nov. 10, 1981, except for certain amendments that entered into force Feb. 8, 1982, and Mar. 8, 1982.

Amendments to the schedule to the international convention for the regulation of whaling, 1946 (TIAS 1849). Adopted at Brighton July 19–24, 1982.

Entered into force: Nov. 5, 1982, except for certain amendments that entered into force Feb. 3, 1983.

Wheat

1981 protocol for the sixth extension of the wheat trade convention, 1971 (TIAS 7144). Done at Washington Mar. 24, 1981. Entered into force July 1, 1981; for the U.S. Jan. 12, 1982. TIAS 10350.

Ratifications deposited: Italy, Dec. 31, 1982;⁴ Luxembourg, Dec. 15, 1982.

Food aid convention, 1980 (part of the International Wheat Agreement, 1971, as extended (TIAS 7144)). Done at Washington Mar. 11, 1980. Entered into force July 1, 1980. TIAS 10015.

Approval deposited: France, Dec. 29, 1982.

1981 protocol for the first extension of the food aid convention, 1980 (TIAS 10015).

Done at Washington Mar. 24, 1981. Entered into force July 1, 1981; for the U.S. Jan. 12, 1982. TIAS 10351.

Ratifications deposited: Italy, Dec. 21, 1982; Luxembourg, Dec. 15, 1982.

World Health Organization

Amendments to arts. 24 and 25 of the Constitution of the World Health Organization, as amended (TIAS 1808, 8086, 8534).

Adopted at Geneva May 17, 1976, by the 19th World Health Assembly.¹

Acceptances deposited: Bulgaria, Jan. 18, 1983; Monaco, Jan. 13, 1983; Senegal, Jan. 12, 1983.

BILATERAL

Belgium

Additional protocol to the agreement on social security signed Feb. 19, 1982. Signed at Brussels Nov. 23, 1982. Enters into force on the date of entry into force of the agreement of social security.

Administrative agreement for the implementation of the agreement on social security of Feb. 19, 1982. Signed at Brussels Nov. 23, 1982. Enters into force on the date of entry into force of the agreement on social security.

Belize

Parcel post agreement, with details of implementation. Signed at Belize City and Washington Sept. 14 and 28, 1982. Entered into force Jan. 1, 1983.

Brazil

Cooperative project agreement concerning the conduct of a joint geophysical and oceanographic investigation in the South Atlantic. Signed at Washington and Rio de Janeiro June 10 and July 14, 1982. Entered into force July 14, 1982.

Agreement extending the agreement of Dec. 1, 1971, as amended and extended (TIAS 722, 8749) relating to a program of scientific and technological cooperation. Effected by exchange of notes at Brasilia Nov. 29 and 30, 1982. Entered into force Nov. 30, 1982.

Bulgaria

Program of cultural, educational, scientific, and technological exchanges for 1983 and 1984. Signed at Sofia Nov. 19, 1982. Entered into force Nov. 19, 1982; effective Jan. 1, 1983.

Congo

Agreement for the sales of agricultural commodities. Signed at Brazzaville Aug. 16, 1982. Entered into force Aug. 16, 1982.

Costa Rica

Agreement for sales of agricultural commodities, relating to the agreement of Mar. 25, 1982, with memorandum of understanding. Effected by exchange of notes at San Jose Oct. 30, 1982. Entered into force Jan. 10, 1983.

Czechoslovakia

Agreement amending and extending the air transport agreement of Feb. 28, 1969, as amended and extended (TIAS 6644, 7356, 7881, 8868, 10269). Effected by exchange of notes at Washington Dec. 29 and 30, 1982. Entered into force Dec. 30, 1982.

Egypt

Agreement for sales of agricultural commodities, relating to the agreement of June 7, 1974 (TIAS 7855). Signed at Cairo Nov. 23, 1982. Entered into force Nov. 23, 1982.

Agreement amending the agreement for sales of agricultural commodities of Dec. 21, 1981

CHRONOLOGY

(TIAS 10328). Effected by exchange of notes at Cairo Aug. 11, 1982. Entered into force Aug. 11, 1982.

Guatemala

Agreement extending the cooperative agreement of Oct. 22, 1981, (TIAS 10288) to assist the Government of Guatemala in execution of an eradication program of the Mediterranean fruit fly (MEDFLY). Signed at Guatemala Oct. 1, 1982. Entered into force Oct. 1, 1982.

Honduras

Agreements amending the agreement for sales of agricultural commodities of June 11, 1982. Signed at Tegucigalpa Aug. 30 and Dec. 3, 1982. Entered into force Aug. 30 and Dec. 3, 1982.

Hong Kong

Agreement amending the agreement of June 23, 1982 (TIAS 10420) relating to trade in cotton, wool, manmade fiber textiles and textile products. Effected by exchange of letters at Washington Nov. 22 and 24, 1982. Entered into force Jan. 1, 1983.

India

Agreement amending the agreement of Aug. 8, 1963, (TIAS 5446) for cooperation concerning civil uses of atomic energy. Effected by exchange of notes at New Delhi Nov. 30, 1982. Entered into force Nov. 30, 1982.

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Washington Dec. 21, 1982. Entered into force Dec. 21, 1982; effective Jan. 1, 1983.

Jamaica

Loan agreement for production and employment to assist Jamaica in its stabilization and recovery efforts. Signed at Kingston Dec. 17, 1982. Entered into force Dec. 17, 1982.

Korea

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Washington Dec. 1, 1982. Entered into force Dec. 1, 1982; effective Jan. 1, 1983.

Lebanon

Agreement relating to air transport route rights. Effected by exchange of notes at Washington Dec. 22, 1982. Entered into force Dec. 22, 1982. TIAS 10489.

Mexico

Agreement extending the cooperative agreement of Oct. 22, 1981, (TIAS 10373) relating to provision of services to assist in eradication of the Mediterranean fruit fly (MEDFLY). Signed at Mexico Sept. 29, 1982. Entered into force Sept. 29, 1982.

Netherlands

Third supplement to the general arrangement of May 3, 1966, (TIAS 9144) relating to the

cooperative production of the M109 vehicle, with annex. Signed at The Hague Mar. 2 and Apr. 14, 1979. Entered into force Apr. 14, 1979.

Norway

Agreement on social security, with final protocol and administrative agreement. Signed at Washington Jan. 13, 1983. Enters into force on the first day of the second month following the month in which each government shall have received from the other government written notification that it had complied with all statutory and constitutional requirements for entry into force.

Peru

Agreement relating to air transport services, and supplementary exchanges of notes, as amended (TIAS 1587, 4050, 6080). Signed at Lima Dec. 27, 1946. Entered into force Dec. 27, 1946.

Notice of termination by Peru: Nov. 10, 1982; effective Nov. 12, 1983.

Philippines

Administrative arrangements between the U.S. and the Philippines implementing the agreement of Jan. 7, 1979, (TIAS 9224) for the performance of customs, immigration, and quarantine functions at U.S. facilities at Clark Air Base and Subic Naval Base in the Philippines, with annex and exchanges of notes. Signed at Manila Dec. 8, 1982. Entered into force Dec. 8, 1982.

Romania

Agreement amending the agreement of Sept. 3 and Nov. 3, 1980, as amended (TIAS 9911), relating to trade in wool and manmade fiber textiles and textile products. Effected by exchange of letters at Washington Nov. 2 and 4, 1982. Entered into force Nov. 4, 1982.

Tunisia

International express mail agreement, with detailed regulations. Signed at Tunis and Washington Nov. 12, 1982 and Jan. 4, 1983. Enters into force Apr. 1, 1983.

Turkey

Agreement extending the agreement of July 8, 1976, as extended (TIAS 8371, 9810, 10200), on procedures for mutual assistance in the administration of justice in connection with the Lockheed Aircraft Corporation and McDonnell Douglas Corporation matters. Effected by exchange of letters at Washington Aug. 7 and Dec. 21, 1982. Entered into force Dec. 21, 1982; effective July 8, 1982.

United Kingdom

Supplemental arrangement relating to the agreement of Feb. 25, 1976, (TIAS 8230) concerning a U.S. naval support facility on Diego Garcia, British Indian Ocean Territory. Signed at Washington Dec. 13, 1982. Entered into force Dec. 13, 1982.

Uruguay

Agreement relating to investment guaranties. Effected by exchange of notes at Montevideo Dec. 15, 1982. Enters into force on the date

of the note by which the Government of Uruguay communicates to the Government of the United States that this exchange of notes has been approved pursuant to its constitutional procedures.

Zaire

Agreement for sales of agricultural commodities, relating to the agreement of May 30, 1980. Signed at Kinshasa Nov. 27, 1982. Entered into force Nov. 27, 1982.

¹Not in force.

²With reservations.

³With reservations and understandings.

⁴With statement. ■

January 1983

January 3

Suriname orders U.S. Deputy Chief of Mission Richard LaRoche and Public Affairs Officer Edward Donovan to leave that country within 14 days, accusing them of "destabilizing activities."

January 4

U.S. declares Rudy van Bochove, second-ranking diplomat at the Suriname mission *persona non grata* in the U.S. and orders his departure within 14 days.

Israeli President Yitzhak Navon makes official working visit to Washington, D.C., Jan. 4-7.

January 7

State Department announces that in light of progress achieved in human rights since the Rios Montt government came to power, it has decided to approve Guatemala's long-pending request for the cash sale of military spare parts and flight safety items.

January 13

Lebanese and Israeli negotiators agree on a U.S. proposed compromise agenda for talks on withdrawal of foreign forces from Lebanon.

Poland orders expulsion of UPI correspondent Ruth Gruber for allegedly gathering "intelligence" material, giving her until midnight Jan. 15 to leave the country. The State Department, later, says it "deeply deplores" the announcement and states that the action "seems aimed at intimidating other Western correspondents in Warsaw," and that the charges against Ms. Gruber "appear to have been manufactured by Polish security services."

January 14

U.N. Secretary General Javier Perez de Cuellar makes an official visit to Washington, D.C., to meet with President Reagan and Secretary Shultz.

Peruvian Prime Minister/Foreign Minister Fernando Schwalb Lopez Aldana makes official visit to Washington, D.C., Jan. 14-21.

PRESS RELEASE

January 17

Japanese Prime Minister Yasuhiro Nakasone makes an official working visit to Washington, D.C., Jan. 17-20.

January 18

South Africa dissolves the National Assembly in South West Africa and announces that it will resume direct rule. The move follows the resignation of the Council of Ministers—a multi-racial political front called the Democratic Turnhalle alliance. The alliance was initially sponsored by South African authorities as an alternative to the black nationalist South West Africa People's Organization (SWAPO), which is seeking independence for Namibia.

In retaliation for Poland's ouster of Warsaw UPI correspondent, Ruth Gruber, State Department asks Warsaw to "withdraw" Stanislaw Glabinski, Washington correspondent for the Polish press agency, by Jan. 20.

By a vote of 13-0 (U.S.S.R. and Poland abstaining) U.N. Security Council adopts Resolution 529 extending the "present mandate of the United Nations Interim Force in Lebanon for a further interim period of six months."

January 19

New China News Agency carries an announcement that China will immediately stop approving contracts of cotton, soybeans, and chemical fibers from the U.S., and reduce its planned imports of other U.S. agricultural products. The move is a symbolic retaliation against curbs imposed by U.S. textile imports from China. U.S. regrets actions and reiterates "its sincere desire to continue addressing our textile trade problems through a mutually acceptable agreement."

January 21

In a report to Congress, President Reagan certifies continued progress in El Salvador with respect to the criteria required by Congress for continuation of U.S. military aid.

January 25

At Secretary Shultz's invitation, F.R.G. Foreign Minister Hans-Dietrich Genscher makes an official visit to Washington, D.C., Jan. 25-26. Mr. Genscher, also acting in his function as Chairman of the Council of Ministers of the European Community, will also meet with President Reagan, Vice President Bush, and other senior officials.

January 26

Egyptian President Hosni Mubarak makes official working visit to Washington, D.C., Jan. 26-28.

January 29

Secretary Shultz makes a state visit to East Asia—Japan, China, and Korea—Jan. 29 through Feb. 10 to become personally acquainted with leaders of these countries and to conduct a positive dialogue on a wide range of bilateral and international issues. The Secretary will visit Japan Jan. 30-Feb. 2; China Feb. 2-6; and Korea Feb. 6-8;

and will attend a meeting of chiefs of U.S. diplomatic missions to Asia and the Pacific in Hong Kong Feb. 8-9. The Secretary returned to Washington, D.C., Feb. 10.

January 30

Vice President Bush makes a 7-nation official visit to Europe Jan. 30-Feb. 10 for talks aimed at consulting with U.S. Allies on a broad range of issues including arms reductions. The Vice President's visit includes stops in F.R.G., the Netherlands, Belgium, Switzerland (Geneva, where he delivers the opening speech at the 1983 session of the Committee on Disarmament), Italy, France, the U.K., and the Vatican.

January 31

In an open letter read by Vice President Bush in West Berlin, President Reagan calls on Soviet General Secretary Yuriy A. Andropov to meet with him to sign a treaty banning all intermediate-range, land-based nuclear missiles. In the message, the President says he would meet with Mr. Andropov "whenever and wherever he wants" and that he makes this offer "out of the conviction that such an agreement would serve the interests of both sides, and, more importantly, that the people of Europe want nothing more." ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*1	1/3	Program for the official working visit of Israeli President Navon, Jan. 4-7.
*2	1/4	U.S., Singapore establish new visa system, Oct. 4 and 8.
*3	1/4	U.S., Romania amend textile agreement, Nov. 2 and 3.
*4	1/4	U.S., Korea sign textile agreement, Dec. 1.
*5	1/6	U.S., Philippines sign textile agreement, Nov. 24.
*6	1/11	U.S., India sign textile agreement, Dec. 21.
*7	1/11	U.S., Indonesia sign textile agreement, Oct. 13 and Nov. 9.
*8	1/11	Advisory Committee on International Investment, Technology, and Development, working group on treatment of investment and special investment problems, Jan. 18.
*9	1/11	International Telegraph and Telephone Consultative Committee (CCITT), study group C, Jan. 20.

*10	1/11	CCITT, working party of the integrated services digital network and study group D, Feb. 3.
*11	1/11	International Radio Consultative Committee (CCIR), study group 2, Feb. 7.
*12	1/14	1983 foreign fishing allocations.
*13	1/14	Shultz: statement to the press, Jan. 13.
*14	1/14	Program for the official working visit of Japanese Prime Minister Nakasone, Jan. 17-20.
*15	1/19	Advisory Committee on International Investment, Technology, and Development, working group on accounting standards, Feb. 11.
*16	1/19	Advisory Committee on International Investment, Technology, and Development, working group on transborder data flows, Feb. 17.
*17	1/19	U.S., Thailand amend textile agreement, Sept. 30.
*18	1/19	U.S., Hong Kong amend textile agreement, Nov. 22 and 24.
*19	1/19	U.S., Romania amend textile agreement, Nov. 2 and 4.
*20	1/19	U.S., Thailand amend textile agreement, Sept. 2 and 14.
*21	1/25	Program for the official working visit of Egyptian President Mubarak, Jan. 26-28.
*22	1/26	Shultz: interview on CBS-TV.
*23	1/27	Shultz: remarks to delegates attending international youth exchange meeting, Jan. 26.
*24	1/28	CCIR, study group 7, Feb. 18.
*25	1/28	Fine Arts Committee, Feb. 19.
*26	1/28	Advisory Committee on International Investment, Technology, and Development, working group on multilateral investment standards, Feb. 24.
*27	1/28	Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), working group on radiocommunications, Apr. 19.
28	1/31	Shultz: news conference en route to Tokyo, Jan. 30.

*Not printed in the BULLETIN. ■

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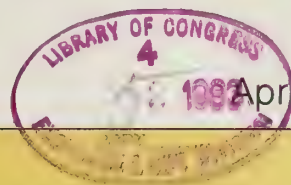
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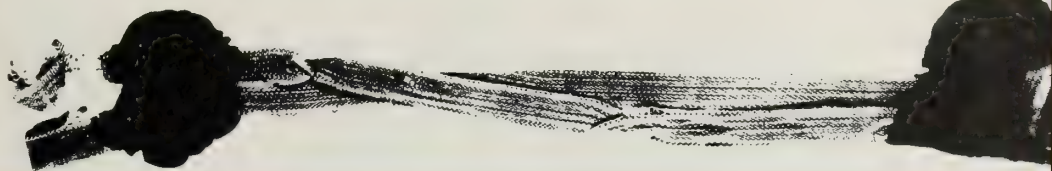
April 1983

*être arrêtés ou molestés pour cause de Contrebande, qu'ils auront
voulu prendre à leur bord, ni aucune espèce d'embargo mis sur
leurs navires, les Sujets ou Citoyens de l'Etat ou ses Marchandises
sont déclarées de Contrebande, ou dont la sortie est défendue,
et qui néanmoins auront vendu ou voulu vendre, et aliéner
les dites Marchandises, devant être les seuls qui feront dûment
punis pour une pareille Contravention.*

*Fait à Paris le trois Avril l'année Grée
mil sept cent quatrevingt trois.*

Amhar Wilpianti de (1803)

(P) Franklin



The U.S.
and Sweden:
An Enduring Friendship / 1

Department of State bulletin

Volume 83 / Number 2073 / April 1983

Cover:

Copy of last page of U.S.-Swedish Treaty of Amity and Commerce, signed in Paris on April 3, 1783.

(Courtesy National Archives)

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through March 31, 1987.

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GEORGE P. SHULTZ

Secretary of State

JOHN HUGHES

Assistant Secretary for Public Affairs

PAUL E. AUERSWALD

Director,
Office of Public Communication

NORMAN HOWARD

Chief, Editorial Division

PHYLLIS A. YOUNG

Editor

JUANITA ADAMS

Assistant Editor

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EDITOR'S NOTE

The article "Armenian Terrorism: A Profile," which appeared in the August 1982 issue of the *Bulletin*, and its accompanying note and footnotes were not intended as statements of policy of the United States. Nor did they represent any change in U.S. policy.

 **GUSTAF**
med Guds Nåde Sveriges
Göthes och Wendes KÖNUNG &c. &c. &c.
Arfvinge till Norrige, Hertig till Schleswig
Holstein, Stormann och Ditmarsen, Grefve
till Oldenburg och Delmenhorst &c. &c. Gøre
vetterligit: Att, som en vänskaps och handels
Fördrag, emellan oss och de förenade Staterna i Nord America,
afslut den 6de April innewarande år i Paris, afslutat,
fastskäppt och undertecknad, af de ä ämse örer ståtligt
befattningligaade Ministres nemligen: å Wäre vägnar
Wär Ambassaduer Extraordinaire hos Konungen af
Frankrike, Ridderen och Commendatören af Wäre
Orden, Wälborne Grefve, Herr Gustaf Philipz
Creutz, samt å de förenade Staternas vägnar, af
deras äfrentades hos Konungen af Frankrike

Copy of the first page of the instrument of ratification of the Treaty of Amity and Commerce exchanged on February 6, 1784. (Courtesy National Archives)

The U.S. and Sweden: An Enduring Friendship

by James Edward Miller

The treaty of amity and commerce signed by the United States and Sweden on April 3, 1783, was the first between the newly independent American Republic and a European neutral state. Recognition by Sweden of American independence facilitated the establishment of diplomatic relations with most of the other European states. Com-

menting on the treaty, John Adams stated: "The King of Sweden has done the United States [a] great honor in his commission . . . by insisting that he has a great desire for connexion with States which had so fully established their independence and by their wise and gallant conduct so well deserved it."

Sweden and the American Revolution

Following the outbreak of the war for independence in 1775, Sweden, although officially a neutral power, showed a strong sympathy for the American cause. Before the Revolution all Swedish trade with the Colonies had to pass through England and was subject to high customs duties. American independence offered the prospect for direct and less costly trade between Sweden and the United States. Merchants from both countries eagerly exploited this opportunity, and the volume of trade between the two nations rose dramatically during the Revolutionary War.

Sweden's brilliant and dynamic King, Gustav III, was eager to reestablish his nation in the great power role it had played prior to 1718. Support for the American colonists permitted the King to cooperate with Sweden's closest ally, France, and simultaneously undercut a major commercial rival, the United Kingdom. The King also hoped to gain a trading colony in the West Indies. Moreover, Gustav genuinely admired the American patriots and their struggle for independence. The King granted leaves of absence for a number of Swedish officers to serve with the Colonial Armies and French Navy. More than one American diplomat in Europe gratefully reported back to the Continental Congress on the moral and practical assistance they received from Sweden during the war years, and Swedish ports became a safehaven for Colonial merchant ships seeking to avoid capture by the British Navy.

After France entered the war on the side of the United States in 1778, Sweden took an even more active role in assisting the Colonies. When the British attempted to cut off all trade between Europe and the rebellious Colonies by unleashing full-scale privateering, the Swedish Government issued so strong a protest that one British minister called it indistinguishable from a declaration of

war. Sweden also was one of the northern European powers that responded favorably to the appeal in February 1780 by Catherine II of Russia for the establishment of a League of Armed Neutrality. Sweden enforced its neutrality through a system of heavily protected convoys. By 1782 almost all the neutral states of Europe had joined the Armed Neutrality, undermining Britain's ability to wage a two-front war and challenging its control of the seas and its leadership in trade. The free passage of neutral merchant shipping to and from the Colonies together with the ability of American seamen to avoid the British Navy defeated the blockade and the privateering campaign.

First Approaches

Although Sweden aided the Colonies, no formal diplomatic relations existed between the two states. When the British used French recognition of American independence as its *causis belli* in 1778, the Swedes, seeking to avoid a war, refrained from a similar act. After the surrender of Lord Cornwallis' army at Yorktown on October 18, 1781, British political leadership slowly reconciled itself to the loss of the Colonies and, in April 1782, opened secret peace talks with the American representative in Paris, Benjamin Franklin.

The Swedish Government had already decided that it should establish permanent diplomatic ties with the American Republic. In late March Count Gustav Creutz, the Swedish Ambassador to France, approached Franklin to ask if he had powers from the Continental Congress to conclude a treaty of amity with Sweden. After Franklin replied affirmatively, Creutz stated that King Gustav III wished to conclude a treaty and noted that Sweden was the first neutral European power to offer recognition to the United States. The

Swedes, however, wished to keep the negotiations secret for fear of British reaction. Swedish caution on this point delayed the completion of a treaty for over a year but was well founded.

Although serious fighting in the United States ceased after Yorktown, the war still raged in Europe. Each of the powers which allied with the United States against the United Kingdom had entered the war to achieve its own political objectives. France wanted to reduce British power by depriving the United Kingdom of its most valuable Colonies. Spain wanted to break the British hold on the western Mediterranean by recapturing the fortress of Gibraltar. In order to concentrate their forces for the defense of their European interests the British were willing to part with their American Colonies.

The Marquis de LaFayette, who had recently returned from service with the Continental Army, approached Creutz shortly after the latter's meeting with Franklin. LaFayette had a commission from the Continental Congress to promote a peace settlement. He also enjoyed the confidence of the French Minister of Foreign Affairs, Count de Vergennes. Unaware of Creutz's earlier talks with Franklin and acting on Vergennes instructions, LaFayette urged that the Swedes open negotiations with the United States with the object of granting it full diplomatic recognition.

Spurred by this request, Creutz met with Franklin on the following day, April 22, 1782, and offered a treaty of amity and commerce. Franklin replied enthusiastically, telling Creutz that he would immediately inform Congress of this offer and again promising to keep the matter secret. Creutz then met with Vergennes and informed him of the Swedish initiative. Vergennes was equally pleased but cautioned Creutz to keep the approach a secret from the British Government. France had achieved its political objectives in its war with Britain and with its treasury bankrupt was now seeking a quick peace settlement. Spain continued to resist peace talks as long as it believed it could recover Gibraltar. Announcement of Sweden's pact with the United States could only complicate French diplomatic efforts to end the conflict.

FEATURE

The U.S. and Sweden: An Enduring Friendship

Gustav III: Enlightened Monarch

Gustav III (1746–92) gave his name to a glittering era of Swedish history. During his reign from 1771–1792, Swedish arts and crafts reached their high points. His court, like those of Prussia and Russia, nurtured the culture of the French Enlightenment. The King was a man of immense personal talent and wideranging interests, including a passion for theater.

As a statesman, Gustav was a model enlightened despot. In 1772, he staged a coup against the aristocratic parties which ruled Sweden and centralized all powers in his own hands. Gustav energetically reformed the legal and fiscal systems of Sweden, extended religious toleration, suppressed corruption within the bureaucracy, and embarked on large-scale public works programs. He also curtailed freedom of the press and weakened representative institutions.

Despite his absolutism, Gustav greatly admired the courage of American patriots and provided them with moral and material support in the war for independence. On March 16, 1792, he was shot during a masked ball at the opera in Stockholm and died 13 days later. His tragic end provided Giuseppe Verdi with the inspiration for the opera "Un Ballo in Maschera." ■

(Courtesy Embassy of Sweden)



Waiting on Peace

Because of his concern with the British reaction to disclosure of the proposed treaty, Creutz planned to negotiate at a slow pace, awaiting the completion of peace treaties recognizing American independence, before signing an agreement with the United States. As further insurance against premature disclosure, Creutz would only discuss the proposed treaty orally.

Creutz could also count on long delays in communications between Franklin and the Continental Congress to slow the pace of negotiations. It was September 19, 1782, before the Continental Congress appointed a three-man committee consisting of Arthur Lee, Ralph Izard, and James Duane to draft a treaty with Sweden and prepare negotiating instructions for Franklin. On September 28 the committee reported back with a draft treaty and instructions based largely on the treaty of amity and commerce with the Netherlands which would be signed on October 8, 1782. In addition to recognizing the United States and establishing friendly relations between the two states, the treaty provided equal access for American and Swedish merchants to the other state's markets, and set out the protections which each state would provide the citizens of the other. These instructions were immediately sent to Franklin.

On November 9, 1782, Robert Livingston, the Secretary for Foreign Affairs of the Congress, wrote Franklin urging quick action on the treaty. Livingston told Franklin that "We are much flattered by the proposals of Sweden," which would widen the scope of foreign recognition of American independence and add weight to the forces driving the United Kingdom "to acknowledge us foreign and independent."

By November 1782 negotiations between the United States and United Kingdom on a preliminary peace treaty were well advanced, and the Swedish Government also wanted to speed up the negotiations on the treaty. The Swedish foreign office, on November 21, authorized Creutz to sign a treaty with

the United States. British and American negotiators signed a preliminary peace and requested ratification by their governments on November 30. On December 14 Franklin and Creutz exchanged the documents which granted them power to act for their governments in completing a treaty.

The Swedes, however, continued to pace their negotiations with Spanish, French, and British discussions on a preliminary peace in Europe. On December 24, Franklin reported to Livingston that after a number of conferences on the treaty, Creutz had suspended the talks pending new instructions from his government. Gustav III approved Creutz's view that the wisest course for Sweden was to delay negotiations with the United States until the signature of the preliminary peace among the European powers removed recognition as a *causae belli* with the United Kingdom. On

January 16, 1783, as European peace negotiations entered their last stage, Gustav instructed his ambassador that in view of the "high importance" of the negotiations with the United States, Creutz should take no further actions until he received specific instructions. However, Creutz acted before he received the King's orders.

Signature and Ratification

In early February Creutz decided that the time had come to conclude the treaty with the United States. On January 20, 1783, France and Spain finally came to terms with the United

U.S. Ambassador to Sweden



(Department of State photo)

Franklin S. Forsberg holds a B.S. in economics, an M.B.A. in foreign trade, and an honorary Doctor of Laws degree. He is the recipient of the U.S. Distinguished Service Medal; the Order of the British Empire; the Royal Order of Vasa from the Swedish King; and several awards from the publishing industry.

Before his appointment as U.S. Ambassador to Sweden in December 1981, he was President of Forsberg Associates, Inc., a New York organization consulting in communication matters with newspapers, magazines, books, radio, and television companies. He was also Executive Vice President and Director of Holt, Rinehart, & Winston, publisher of *Field and Stream* magazine and four other periodicals; publisher and board member of Popular Mechanics Publishing Company and Street and Smith Publishing Company, Inc.; and publisher of *Mademoiselle* and *Charm* magazines.

During World War II, Ambassador Forsberg created *Yank* and reactivated *Stars and Stripes* for distribution to U.S. troops throughout the world. ■

FEATURE

The U.S. and Sweden: An Enduring Friendship

Kingdom. The three powers, together with U.S. representatives, also signed an armistice agreement which ended the fighting in Europe and formalized the cease-fire which had been in effect in the United States since October 1781. On February 5, 1783, Creutz and Franklin signed a treaty of amity and commerce together with a separate article limiting the duration of the treaty to 15 years. Both negotiators agreed to keep the treaty secret until they could exchange ratifications.

Creutz received Gustav's instructions the following day, and immediately reported to Stockholm that he had already signed the treaty. Explaining his action, Creutz noted that in a recent message to parliament, King George III had stated that U.S. sovereignty would be fully recognized as soon as the final peace treaty was signed. Since other powers were lining up to grant recognition and establish commercial and diplomatic ties, Creutz felt that Sweden should firmly establish itself in the gratitude of the new republic by being the first neutral to grant it recognition. Creutz then met with Franklin and explained the predicament in which Gustav's instructions placed him. Franklin, recognizing that cooperation would win more for the American cause than aggrieved protestations, immediately agreed to destroy the original treaty and sign another which would remain undated until after the ratification of the preliminary peace between the United States and United Kingdom. The American representative also agreed to hold a public signing of yet another copy of the treaty at a later date and to continue to keep the existence of the agreement a secret until that time. In return, Franklin asked that the public ceremony be held as soon as possible after the signing of the preliminary peace treaty among the European powers.

Formal ratification of the treaty waited on events in the United Kingdom. On February 14, King George III formally declared the termination of hostilities by the British Government. However, Lord Shelburne's ministry fell under a severe parliamentary attack on February 20, and Lord North returned

to power. Charles Fox, an early proponent of American independence, took over the foreign office, and the new government pledged only to seek modifications in the preliminary peace with the United States. Creutz decided he could proceed with the signature of the treaty and on March 2, 1783, reported that he would immediately set a date for the formal signature of the treaty. He and Franklin then dated the earlier signed copies of the treaty and sent them to their respective governments for ratification. The formal signing ceremony took place in Paris on April 3, 1783. During the ceremony, Creutz informed Franklin that Sweden was favorably disposed to the ideas of a special reduction of its port duties in favor of American shipping.

Shortly after the signature of the

treaty, Creutz was recalled to Stockholm to become foreign minister. His replacement, Baron de Stael, informed Franklin that he had received Sweden's ratification of the treaty on June 12, 1783. Franklin, meanwhile, was reaping the diplomatic rewards of American military and political success as other neutral states lined up to negotiate recognition and commercial treaties. The Swedish treaty served as the model for these settlements.

On July 29, 1783, the Continental Congress took up and speedily approved the Swedish treaty. Instructions sent to Franklin that same day authorized him to deliver the U.S. ratification as quickly as possible to the Swedes. Franklin exchanged ratifications with Baron de Stael on February 6, 1784.

Ambassador to the United States

Count Wilhelm Wachtmeister was born in 1923. Upon completion of his law studies in 1946, he began his career in the Swedish Foreign Ministry. His first assignments sent him to Vienna, Madrid, and Lisbon.

During the mid-1950s, Ambassador Wachtmeister was stationed in Moscow for 3 years and was a personal assistant to U.N. Secretary General Dag Hammarskjöld (1958-61). Following 5 years in Stockholm as head of the U.N. section of the Foreign Ministry, he was named Ambassador to Algeria. After a year in Algeria, he was recalled to Stockholm to take the position as head of the Political Department. He was appointed Ambassador to the United States in May 1974. ■

(Courtesy Embassy of Sweden)





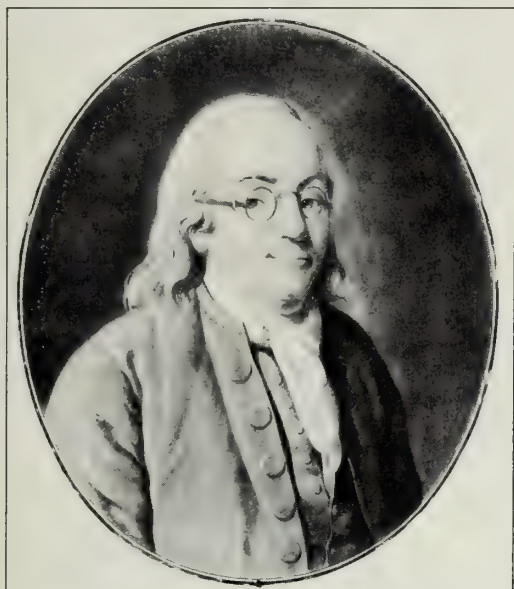
Gustav Philip Creutz: Poet and Diplomat

Count Gustav Creutz (1731–85), scholar, linguist, and poet, was also one of Sweden's most successful diplomats. Creutz began his diplomatic career in 1764 as Minister to Spain. After his apprenticeship at Madrid, the Swedish Government nominated Creutz Minister to France in 1766. Thoroughly steeped in the culture of the French Enlightenment, Creutz won the admiration and trust of Kings Louis XV and Louis XVI and the affection of Voltaire. In the 1760s he repaired Sweden's damaged relations with France and was promoted to full ambassador for his achievements. During the American Revolution, Creutz managed to keep those relations in good repair despite Sweden's refusal to join France in a war against the United Kingdom. An early supporter of American independence and a warm friend of Benjamin Franklin, Creutz was the ideal man to negotiate a treaty with the United States. In 1783, King Gustav III recalled Creutz from Paris to serve as his foreign minister and chancellor. In addition to his broadened diplomatic duties, Creutz used his new position to promote educational reforms during the brief period before his death. ■

(Courtesy Embassy of Sweden)

FEATURE

The U.S. and Sweden: An Enduring Friendship



Benjamin Franklin

(National Portrait Gallery, Smithsonian Institution)

Benjamin Franklin (1706–90) was the personification of the American Enlightenment with its emphasis on the practical application of scientific knowledge. After establishing a successful printing business in Philadelphia, Franklin attracted Colonial and then European attention with his *Poor Richard's Almanac*, a collection of useful information and witticisms which he published from 1732–1757. A passionate believer in self-improvement, Franklin founded the first lending library in the Colonies in 1731, launched the American Philosophical Society in 1743, and founded the first city hospital in Philadelphia and the University of Pennsylvania in 1751. He served as an assemblyman in Pennsylvania's legislature and as deputy postmaster for the Colonies from 1753–1774.

In 1754 Franklin became active in the Colonial struggles against arbitrary British laws. He twice went to the United Kingdom for extended missions as a representative of Colonial interests.

In 1775–76, Franklin, as a member of the Second Continental Congress, helped to organize the national government which led the Colonies through the American Revolution. Late in 1776, the Congress sent him to France to seek an alliance. Franklin's fame preceded him, and he shrewdly cultivated his popular image as an American sage. Utilizing his immense popularity, Franklin established a close working relationship with the French Government and organized the shipment of badly needed supplies to the embattled American patriots. In 1778, he took a leading role in negotiating a formal alliance with France which proved to be the key to eventual American victory. In 1781, Congress appointed Franklin one of the commissioners to conclude peace with the United Kingdom. At his own request, Congress finally recalled Franklin from France in 1785. He then served as a delegate at the constitutional convention of 1787, playing an important role in forging the compromises which produced the U.S. Constitution. ■

Conclusion

The Swedish treaty of 1783 provided a major psychological boost for the new American Republic. Following quickly on the military successes of the war for independence, Sweden's offer of diplomatic recognition opened the way for a rapid normalization of relations with the states of continental Europe and gave legitimacy to the state created by the American Revolution. The treaty also regularized commercial relations between the two states and prompted Sweden to expand its trade and investment in the United States. Within weeks of the ratification, the Swedish Government sent communications to Richard Soderstrom and Charles Hellstedt to serve as its counsels in Boston and Philadelphia. This friendship, established during the American Revolution, has endured for 200 years. ■

James Edward Miller is with the General European Division, Office of the Historian, Bureau of Public Affairs.

THE PRESIDENT

Peace and National Security

by President Reagan

*Address to the nation
Washington, D.C.,
March 23, 1983¹*

The subject I want to discuss with you, peace and national security, is both timely and important. Timely, because I've reached a decision which offers a new hope for our children in the 21st century, a decision I'll tell you about in a few minutes. And important because there's a very big decision that you must make for yourselves.

This subject involves the most basic duty that any President and any people share—the duty to protect and strengthen the peace. At the beginning of this year, I submitted to the Congress a defense budget which reflects my best judgment of the best understanding of the experts and specialists who advised me about what we and our allies must do to protect our people in the years ahead. That budget is much more than a long list of numbers. For behind all the numbers lies America's ability to prevent the greatest of human tragedies and preserve our free way of life in a sometimes dangerous world. It is part of a careful, long-term plan to make America strong again after too many years of neglect and mistakes.

Our efforts to rebuild America's defenses and strengthen the peace began 2 years ago when we requested a major increase in the defense program.

Since then, the amount of those increases we first proposed has been reduced by half, through improvements in management and procurement and other savings.

The budget request that is now before the Congress has been trimmed to the limits of safety. Further deep cuts cannot be made without seriously endangering the security of the nation. The choice is up to the men and women you've elected to the Congress, and that means the choice is up to you.

Tonight, I want to explain to you what this defense debate is all about, and why I'm convinced that the budget now before the Congress is necessary, responsible, and deserving of your support. And I want to offer hope for the future.

But first, let me say what the defense debate is not about. It is not about spending arithmetic. I know that in the last few weeks you have been bombarded with numbers and percentages. Some say we need only a 5% increase in defense spending. The so-called alternate budget backed by liberals in the House of Representatives would lower the figure to 2%–3%, cutting our defense spending by \$163 billion over the next 5 years.

The trouble with all these numbers is that they tell us little about the kind of defense program America needs or

the benefits and security and freedom that our defense effort buys for us. What seems to have been lost in all this debate is the simple truth of how a defense budget is arrived at. It isn't done by deciding to spend a certain number of dollars. Those loud voices that are occasionally heard charging that the government is trying to solve a security problem by throwing money at it are nothing more than noise based on ignorance. We start by considering what must be done to maintain peace and review all the possible threats against our security. Then, a strategy for strengthening peace and defending against those threat must be agreed upon. And, finally, our defense establishment must be evaluated to see what is necessary to protect against any or all of the potential threats. The cost of achieving these ends is totaled up, and the result is the budget for national defense.

There is no logical way that you can say, let's spend X billion dollars less. You can only say, which part of our defense measures do we believe we can do without and still have security against all contingencies? Anyone in the Congress who advocates a percentage or a specific dollar cut in defense spending should be made to say what part of our defenses he would eliminate, and he should be candid enough to acknowledge that his cuts mean cutting our commitments to allies or inviting greater risk or both.

U.S. Defensive Strategy

The defense policy of the United States is based on a simple premise: The United States does not start fights. We will never be an aggressor. We maintain our strength in order to deter and defend against aggression—to preserve freedom and peace.

Since the dawn of the atomic age, we've sought to reduce the risk of war by maintaining a strong deterrent and by seeking genuine arms control. "Deterrence" means simply this: making sure any adversary who thinks about attacking the United States, or our allies, or our vital interests, concludes that the risks to him outweigh any potential gains. Once he understands that, he won't attack. We maintain the peace through our strength; weakness only invites aggression.

This strategy of deterrence has not changed. It still works. But what it takes to maintain deterrence has changed. It took one kind of military force to deter an attack when we had

far more nuclear weapons than any other power; it takes another kind now that the Soviets, for example, have enough accurate and powerful nuclear weapons to destroy virtually all of our missiles on the ground. Now this is not to say that the Soviet Union is planning to make war on us. Nor do I believe a war is inevitable—quite the contrary. But what must be recognized is that our security is based on being prepared to meet all threats.

There was a time when we depended on coastal forts and artillery batteries because, with the weaponry of that day, any attack would have had to come by sea. Well, this is a different world, and our defenses must be based on recognition and awareness of the weaponry possessed by other nations in the nuclear age.

We can't afford to believe that we will never be threatened. There have been two World Wars in my lifetime. We didn't start them and, indeed, did everything we could to avoid being drawn into them. But we were ill prepared for both—had we been better prepared, peace might have been preserved.

For 20 years the Soviet Union has been accumulating enormous military might. They didn't stop when their forces exceeded all requirements of a legitimate defensive capability, and they haven't stopped now. During the past decade and a half, the Soviets have built up a massive arsenal of new strategic nuclear weapons—weapons that can strike directly at the United States.

As an example, the United States introduced its last new intercontinental ballistic missile, the Minuteman III, in 1969; and we're now dismantling our even older Titan missiles. But what has the Soviet Union done in these intervening years? Well, since 1969, the Soviet Union has built five new classes of ICBMs [intercontinental ballistic

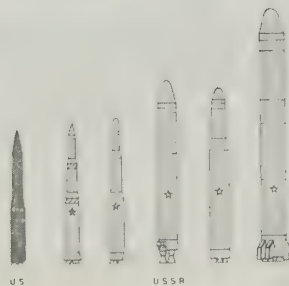
missiles] and upgraded these eight times. As a result, their missiles are much more powerful and accurate than they were several years ago; and they continue to develop more, while ours are increasingly obsolete.

The same thing has happened in other areas. Over the same period, the Soviet Union built four new classes of submarine-launched ballistic missiles and over 60 new missile submarines. We built two new types of submarine missiles and actually withdrew 10 submarines from strategic missions. The Soviet Union built over 200 new Backfire bombers, and their brand new Blackjack bomber is now under development. We haven't built a new long-range bomber since our B-52s were deployed about a quarter of a century ago, and we've already retired several hundred of those because of old age. Indeed, despite what many people think, our strategic forces only cost about 15% of the defense budget.

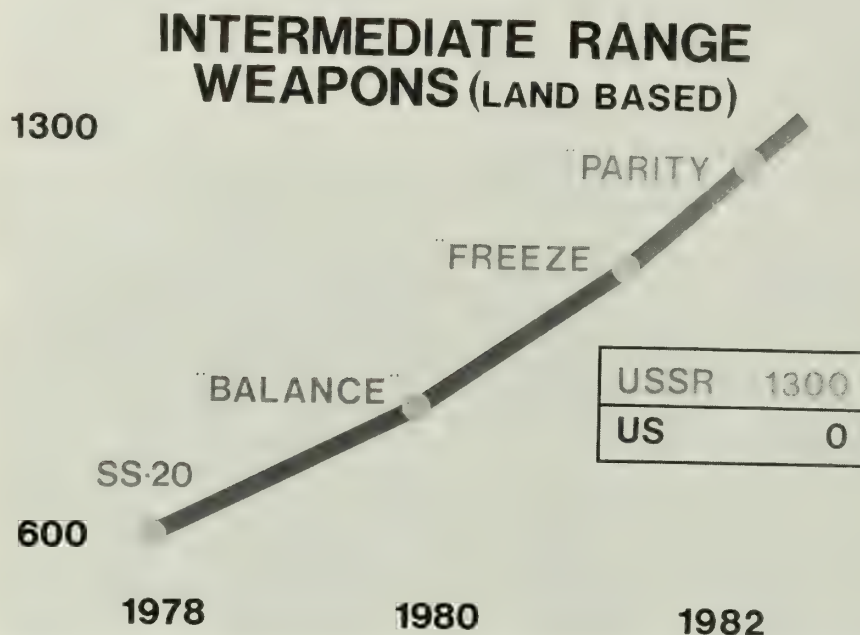
Another example of what's happened. In 1978, the Soviets had 600 intermediate-range nuclear missiles based on land and were beginning to add the SS-20—a new, highly accurate mobile missile with three warheads. We had none. Since then the Soviets have strengthened their lead. By the end of 1979, when Soviet leader Brezhnev declared "a balance now exists," the Soviets had over 800 warheads. We still had none. A year ago this month, Mr. Brezhnev pledged a moratorium, or freeze, on SS-20 deployment. But by last August, their 800 warheads had become more than 1,200. We still had none—some freeze. At this time Soviet Defense Minister Ustinov announced "approximate parity of forces continues to exist." But the Soviets are still adding an average of three new warheads a week and now have 1,300. These warheads can reach their targets in a matter of a few minutes. We still have none. So far, it seems that the Soviet definition of parity is a box score of 1,300 to nothing, in their favor.

So, together with our NATO allies, we decided in 1979 to deploy new weapons, beginning this year as a deterrent to their SS-20s and as an incentive to the Soviet Union to meet us in serious arms control negotiations. We will begin that deployment late this

INTERCONTINENTAL MISSILES



(White House photos)



year. At the same time, however, we're willing to cancel our program if the Soviets will dismantle theirs. This is what we've called a zero-zero plan. The Soviets are now at the negotiating table; and I think it's fair to say that without our planned deployments, they wouldn't be there.

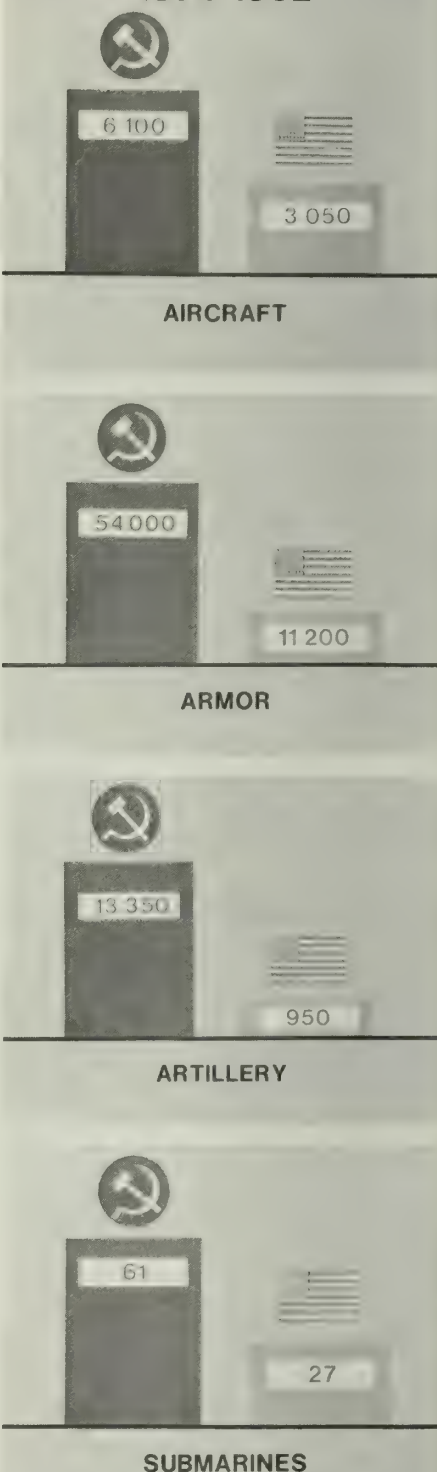
Now, let's consider conventional forces. Since 1974, the United States has produced 3,050 tactical combat aircraft. By contrast, the Soviet Union has produced twice as many. When we look at attack submarines, the United States has produced 27 while the Soviet Union has produced 61. For armored vehicles, including tanks, we have produced 11,200. The Soviet Union has produced 54,000—nearly 5 to 1 in their favor. Finally, with artillery, we have produced 950 artillery and rocket launchers while the Soviets have produced more than 13,000—a staggering 14-to-1 ratio.

Spread of Soviet Military Influence

There was a time when we were able to offset superior Soviet numbers with higher quality. But today, they are building weapons as sophisticated and modern as our own. As the Soviets have increased their military power, they have been emboldened to extend that power. They are spreading their military influence in ways that can directly challenge our vital interests and those of our allies.

The following aerial photographs, most of them secret until now, illustrate this point in a crucial area very close to home: Central America and the Caribbean Basin. They are not dramatic photographs. But I think they help give you a better understanding of what I am talking about.

WEAPONS PRODUCTION 1974-1982



This Soviet intelligence collection facility less than 100 miles from our coast is the largest of its kind in the world. The acres and acres of antennae fields and intelligence monitors are targeted on key U.S. military installations and sensitive activities. The installation in Lourdes, Cuba, is manned by 1,500 Soviet technicians. And the satellite ground station allows instant communications with Moscow. This 28-square-mile facility has grown by more than 60% in size and capability during the past decade.

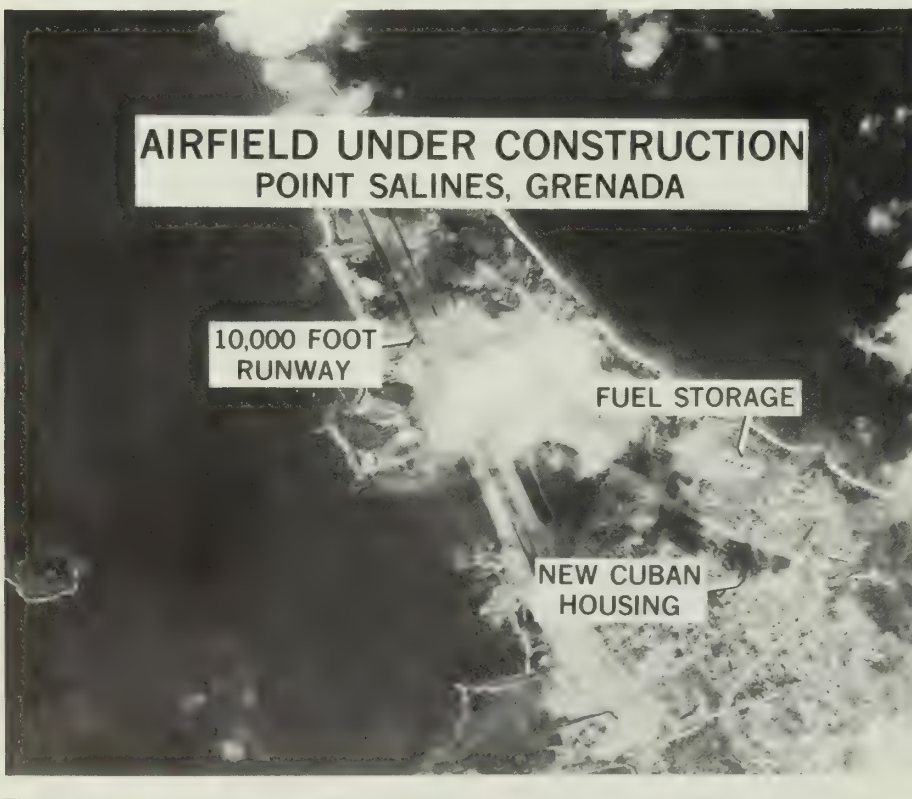
In western Cuba, we see this military airfield and its compliment of modern, Soviet-built MiG-23 aircraft. The Soviet Union uses this Cuban airfield for its own long-range reconnaissance missions. And earlier this month, two modern Soviet antisubmarine warfare aircraft began operating from it. During the past 2 years, the level of Soviet arms exports to Cuba can only be compared to the levels reached during the Cuban missile crisis 20 years ago.

This third photo, which is the only one in this series that has been previously made public, shows Soviet military hardware that has made its way to Central America. This airfield with its MI-8 helicopters, antiaircraft guns, and protected fighter sites is one of a number of military facilities in Nicaragua which has received Soviet equipment funneled through Cuba and reflects the massive military buildup going on in that country.

On the small island of Grenada at the southern end of the Caribbean chain, the Cubans with Soviet financing and backing are in the process of building an airfield with a 10,000-foot runway. Grenada doesn't even have an air force. Who is it intended for? The Caribbean is a very important passageway for our international commerce and military lines of communication. More than half of all American oil imports now pass through the Caribbean. The rapid buildup of Grenada's military potential is unrelated to any conceivable threat to this island country of under 110,000 people and totally at odds with the patterns of the eastern Caribbean states, most of which are unarmed.

The Soviet-Cuban militarization of Grenada, in short, can only be seen as





power projection into the region. And it is in this important economic and strategic area that we're trying to help the Governments of El Salvador, Costa Rica, Honduras, and others in their struggles for democracy against guerrillas supported through Cuba and Nicaragua.

These pictures only tell a small part of the story. I wish I could show you more without compromising our most sensitive intelligence sources and methods. But the Soviet Union is also supporting Cuban military forces in Angola and Ethiopia. They have bases in Ethiopia and South Yemen, near the Persian Gulf oil fields. They have taken over the port that we built at Cam Ranh Bay in Vietnam. And now for the first time in history, the Soviet Navy is a force to be reckoned with in the South Pacific.

Some people may still ask: Would the Soviets ever use their formidable military power? Well, again, can we afford to believe they won't? There is Afghanistan. And in Poland the Soviets denied the will of the people and, in so doing, demonstrated to the world how their military power could also be used to intimidate.

The final fact is that the Soviet Union is acquiring what can only be considered an offensive military force. They have continued to build far more inter-continental ballistic missiles than they could possibly need simply to deter an attack. Their conventional forces are trained and equipped not so much to defend against an attack as they are to permit sudden surprise offenses of their own.

Repairing U.S. Defenses

Our NATO allies have assumed a great defense burden, including the military draft in most countries. We're working with them and our other friends around the world to do more. Our defensive strategy means we need military forces that can move very quickly, forces that are trained and ready to respond to any emergency.

Every item in our defense program—our ships, our tanks, our planes, our funds for training and spare parts—is intended for one all-important purpose: to keep the peace. Unfortunately, a decade of neglecting our military forces has called into question our ability to do that.

When I took office in January 1981, I was appalled by what I found: American planes that couldn't fly and American ships that couldn't sail for lack of spare parts and trained personnel and

insufficient fuel and ammunition for essential training. The inevitable result of all this was poor morale in our Armed Forces, difficulty in recruiting the brightest young Americans to wear the uniform, and difficulty in convincing our most experienced military personnel to stay on.

There was a real question then about how well we could meet a crisis. And it was obvious that we had to begin a major modernization program to ensure we could deter aggression and preserve the peace in the years ahead. We had to move immediately to improve the basic readiness and staying power of our conventional forces, so they could meet—and, therefore, help deter—a crisis. We had to make up for lost years of investment by moving forward with a long-term plan to prepare our forces to counter the military capabilities our adversaries were developing for the future.

I know that all of you want peace, and so do I. I know, too, that many of you seriously believe that a nuclear freeze would further the cause of peace. But a freeze now would make us less, not more, secure and would raise, not reduce, the risks of war. It would be largely unverifiable and would seriously undercut our negotiations on arms reduction. It would reward the Soviets for their massive military buildup while preventing us from modernizing our aging and increasingly vulnerable forces. With their present margin of superiority, why should they agree to arms reductions knowing that we were prohibited from catching up?

Believe me, it wasn't pleasant for someone who had come to Washington determined to reduce government spending, but we had to move forward with the task of repairing our defenses or we would lose our ability to deter conflict now and in the future. We had to demonstrate to any adversary that aggression could not succeed and that the only real solution was substantial, equitable, and effectively verifiable arms reduction—the kind we're working for right now in Geneva.

Thanks to your strong support, and bipartisan support from the Congress, we began to turn things around. Already we're seeing some very encouraging results. Quality recruitment and retention are up dramatically—more high school graduates are choosing military careers and more experienced career personnel are choosing to stay. Our men and women in uniform at last are getting the tools and training they need to do their jobs.

Ask around today, especially among our young people, and I think you will find a whole new attitude toward serving their country. This reflects more than just better pay, equipment, and leadership. You, the American people, have sent a signal to these young people that it is once again an honor to wear the uniform. That's not something you measure in a budget, but it's a very real part of our nation's strength.

It'll take us longer to build the kind of equipment we need to keep peace in the future, but we've made a good start. We haven't built a new long-range bomber for 21 years. Now we're building the B-1. We hadn't launched one new strategic submarine for 17 years. Now we're building one Trident submarine a year. Our land-based missiles are increasingly threatened by the many huge, new Soviet ICBMs. We're determining how to solve that problem. At the same time, we're working in the START [Strategic Arms Reduction Talks] and INF [intermediate-range nuclear forces] negotiations with the goal of achieving deep reductions in the strategic and intermediate nuclear arsenals of both sides.

We have also begun the long-needed modernization of our conventional forces. The Army is getting its first new tank in 20 years. The Air Force is modernizing. We're rebuilding our Navy which shrank from about 1,000 ships in the late 1960s to 453 during the 1970s. Our nation needs a superior Navy to support our military forces and vital interests overseas. We're now on the road to achieving a 600-ship Navy and increasing the amphibious capabilities of our Marines, who are now serving the cause of peace in Lebanon. And we're building a real capability to assist our friends in the vitally important Indian Ocean and Persian Gulf region.

The Need for Defense Resources

This adds up to a major effort, and it isn't cheap. It comes at a time when there are many other pressures on our budget, and when the American people have already had to make major sacrifices during the recession. But we must not be misled by those who would make defense once again the scapegoat of the Federal budget.

The fact is that in the past few decades we have seen a dramatic shift in how we spend the taxpayer's dollar. Back in 1955, payments to individuals took up only about 20% of the Federal budget. For nearly three decades, these

payments steadily increased, and this year will account for 49% of the budget. By contrast, in 1955 defense took up more than half of the Federal budget. By 1980, this spending had fallen to a low of 23%. Even with the increase that I am requesting this year, defense will still amount to only 28% of the budget.

The calls for cutting back the defense budget come in nice, simple arithmetic. They're the same kind of talk that led the democracies to neglect their defenses in the 1930s and invited the tragedy of World War II. We must not let that grim chapter of history repeat itself through apathy or neglect.

This is why I'm speaking to you tonight—to urge you to tell your Senators and Congressmen that you know we must continue to restore our military strength. If we stop in mid-stream, we will send a signal of decline, of lessened will, to friends and adversaries alike. Free people must voluntarily, through open debate and democratic means, meet the challenge that totalitarians pose by compulsion. It's up to us, in our time, to choose and choose wisely between the hard but necessary task of preserving peace and freedom and the temptation to ignore our duty and blindly hope for the best while the enemies of freedom grow stronger day by day.

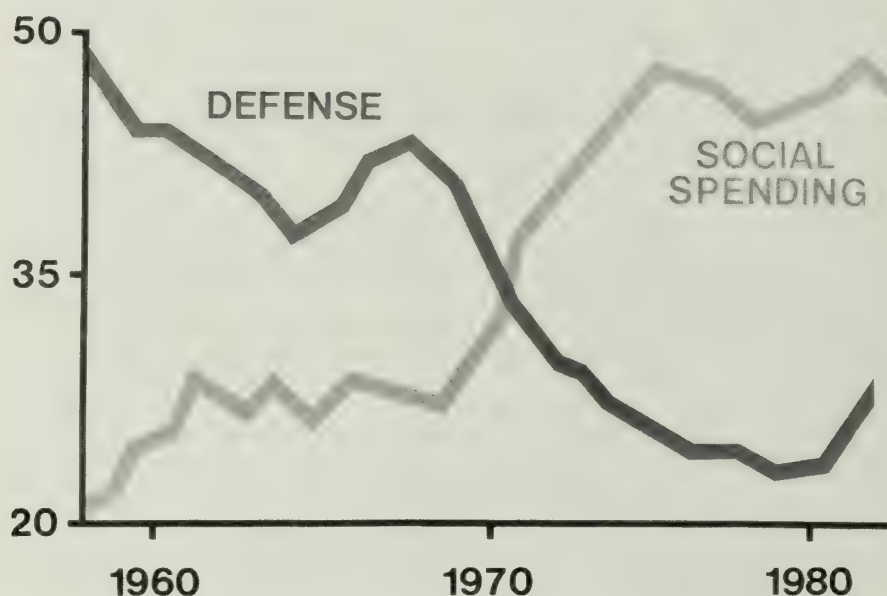
The solution is well within our grasp. But to reach it, there is simply no alternative but to continue this year, in this budget, to provide the resources we need to preserve the peace and guarantee our freedom.

Commitment to Arms Control

Now, thus far tonight I've shared with you my thoughts on the problems of national security we must face together. My predecessors in the Oval Office have appeared before you on other occasions to describe the threat posed by Soviet power and have proposed steps to address that threat. But since the advent of nuclear weapons, those steps have been increasingly directed toward deterrence of aggression through the promise of retaliation. This approach to stability through offensive threat has worked. We and our allies have succeeded in preventing nuclear war for more than three decades.

In recent months, however, my advisers, including, in particular, the Joint Chiefs of Staff, have underscored the necessity to break out of a future that relies solely on offensive retaliation for our security. Over the course of these discussions, I've become more and more

PERCENT OF BUDGET



deeply convinced that the human spirit must be capable of rising above dealing with other nations and human beings by threatening their existence. Feeling this way, I believe we must thoroughly examine every opportunity for reducing tensions and for introducing greater stability into the strategic calculus on both sides.

One of the most important contributions we can make is, of course, to lower the level of all arms and particularly nuclear arms. We are engaged right now in several negotiations with the Soviet Union to bring about a mutual reduction of weapons.

I will report to you a week from tomorrow my thoughts on that score. But let me just say, I am totally committed to this course. If the Soviet Union will join with us in our effort to achieve major arms reduction, we will have succeeded in stabilizing the nuclear balance. Nevertheless, it will still be necessary to rely on the specter of retaliation, on mutual threat. And that's a sad commentary on the human condition. Wouldn't it be better to save lives than to avenge them? Are we not capable of demonstrating our peaceful intentions by applying all our abilities and our ingenuity to achieving a truly lasting stability?

I think we are. Indeed, we must. After careful consultation with my advisers, including the Joint Chiefs of

Staff, I believe there is a way. Let me share with you a vision of the future which offers hope. It is that we embark on a program to counter the awesome Soviet missile threat with measures that are defensive. Let us turn to the very strengths in technology that spawned our great industrial base and that have given us the quality of life we enjoy today.

What if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack, that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?

I know this is a formidable, technical task; one that may not be accomplished before the end of this century. Yet, current technology has attained a level of sophistication where it is reasonable for us to begin this effort. It will take years, probably decades of effort on many fronts. There will be failures and setbacks, just as there will be successes and breakthroughs. And as we proceed, we must remain constant in preserving the nuclear deterrent and maintaining a solid capability for flexible response.

But isn't it worth every investment necessary to free the world from the threat of nuclear war? We know it is. In the meantime, we will continue to pursue real reductions in nuclear arms, negotiating from a position of strength

that can be ensured only by modernizing our strategic forces.

At the same time, we must take steps to reduce the risk of a conventional military conflict escalating to nuclear war by improving our non-nuclear capabilities. America does possess—now—the technologies to attain very significant improvements in the effectiveness of our conventional, non-nuclear forces. Proceeding boldly with these new technologies, we can significantly reduce any incentive that the Soviet Union may have to threaten attack against the United States or its allies.

As we pursue our goal of defensive technologies, we recognize that our allies rely upon our strategic offensive power to deter attacks against them. Their vital interests and ours are inextricably linked. Their safety and ours are one. And no change in technology can or will alter that reality. We must and shall continue to honor our commitments. I clearly recognize that defensive systems have limitations and raise certain problems and ambiguities. If paired with offensive systems, they can be viewed as fostering an aggressive policy; and no one wants that. But with these considerations firmly in mind, I call upon the scientific community in our country, those who gave us nuclear weapons, to turn their great talents now to the cause of mankind and world peace, to give us the means of rendering these nuclear weapons impotent and obsolete.

Tonight, consistent with our obligations of the ABM [antiballistic missile] Treaty and recognizing the need for closer consultation with our allies, I'm taking an important first step. I am directing a comprehensive and intensive effort to define a long-term research and development program to begin to achieve our ultimate goal of eliminating the threat posed by strategic nuclear missiles. This could pave the way for arms control measures to eliminate the weapons themselves. We seek neither military superiority nor political advantage. Our only purpose—one all people share—is to search for ways to reduce the danger of nuclear war.

My fellow Americans, tonight we're launching an effort which holds the promise of changing the course of human history. There will be risks, and results take time. But I believe we can do it. As we cross this threshold, I ask for your prayers and your support.

¹Text from White House press release. ■

The Trade Challenge for the 1980s

Address before the Commonwealth Club, San Francisco, California, on March 4, 1983.¹

It is a pleasure to be back here where the crossroads of trade are meeting places for ideas that stretch our sights to the limits of the horizon and beyond. This Golden Gate city is a place where entrepreneurs with great dreams, daring, and determination chart new paths to progress through the winds and waters of commerce.

You provide an appropriate setting for an American challenge for the 1980s. With the help of your vision, courage, and leadership, we can begin the first leg of a new voyage into the future, a future in which commerce will be king, the eagle will soar, and America will be the mightiest trading nation on Earth.

I haven't come here to echo those faint hearts who have little faith in American enterprise and ingenuity. They plead for retreat and seek refuge in the rusty armor of a failed, protectionist past. I believe, and I think you do too, that the world hungers for leadership and growth and that America can provide it. And my message is that our Administration will fight to give you the tools you need, because we know you can get the job done.

Our forefathers didn't shed their blood to create this union so that we could become a victim nation. We're not sons and daughters of second-rate stock. We have no mission of mediocrity. We were born to carry liberty's banner and build the very meaning of progress, and our opportunities have never been greater. We can improve the well-being of our people, and we can enhance the forces for democracy, freedom, peace, and human fulfillment around the world, if we stand up for principles of trade expansion through freer markets and greater competition among nations.

In dealing with our economy, more is in question than just prosperity. Ultimately, peace and freedom are at stake. The United States took the lead after World War II in creating an international trading and financial system that limited government's ability to disrupt trade. We did this because history had taught us the freer the flow of trade across borders, the greater the world economic progress and the greater the impetus for world peace.

But the deterioration of the free world and the U.S. economy in the 1970s led to the decline of Western security and the confidence of the people of the free world.

Too many otherwise free nations adopted policies of government intervention in the marketplace. Many people began thinking that equity was incompatible with growth. And they argued for no-growth societies, for policies that undermined free markets and compromised our collective security. There can be no real security without a strong Western economy. And there can be no freedom unless we preserve the open and competitive international and financial systems that we created after World War II. Prosperity alone cannot restore confidence or protect our basic values. We must also remember our objectives of peace and freedom. And then we can build a prosperity that will, once again, lift our heads and renew our spirits.

Now, I'm not going to minimize the problems that we face or the long, tough road that we must travel to solve them. For a quarter of a century after the Second World War, we exported more goods each year to the rest of the world than we imported. We accumulated a surplus of funds which was invested at home and abroad and which created jobs

In the past few years, high real interest rates have inhibited investment, greatly increased the value of the dollar, and made our goods—as a result—less competitive. High interest rates reflect skepticism by financial markets that our government has the courage to keep inflation down by reducing deficit spending.

The Potential for Growth

If the history of our great nation and the character of this breed called American mean anything at all, it is that, when we have believed in ourselves, when we pulled together—putting our wisdom and faith into action—we made the future work for us. And we can do that now.

Wealth is not created inside some think tank on the Potomac. It is born in the hearts and minds of entrepreneurs all across Main Street America. For too long, government has treated the entrepreneur more as an enemy than an ally. Our Administration has a better idea. We'll give you less bureaucracy, if you give America your audacity. We want you to out plan, out produce, and out sell the pants off this nation's competitors. You see, I believe in what General Patton once said, and I'm partial to cavalry officers. He said, "Don't tell people how to do things. Tell them what needs doing and then watch them surprise you with their ingenuity."

Every citizen has a role and a stake in helping the United States meet her trade challenge in the 1980s. We need jobs. Well, one of the best job programs we can have is a great national drive to expand exports and that's part of our program. We have only to look beyond our own borders. The potential for growth is enormous: a \$2-trillion market abroad, a chance to create millions of jobs and more income security for our people. We have barely seen the tip of that iceberg. Four out of five new manufacturing jobs created in the last 5 years were in export-related industries. And yet, 90% of American manufacturers do not export at all. We believe

Since 1976, imports have exceeded exports every year. And our trade deficit is expected to rise sharply in this year of 1983.

and increased economic prosperity. But during the past decade, we began importing more than we were exporting. Since 1976, imports have exceeded exports every year. And our trade deficit is expected to rise sharply in this year of 1983.

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tens of thousands of U.S. producers of fer products and services which can be competitive abroad. Now, many of these are small- and medium-sized firms.

Our Administration has a positive plan to meet the trade challenge on three key points.

First, to lay a firm foundation for noninflationary growth based on enduring economic principles of fiscal and monetary discipline, competition incentives, thrift, and reward;

Second, to enhance the ability of U.S. producers and industries to compete on a fair and equal basis in the international marketplace, to work with our trading partners to resolve outstanding problems of market access, and to chart new directions for free and fair trade in the products of the future.

Third, to take the lead in assisting international financial and trade institutions to strengthen world growth and bolster the forces of freedom and democracy.

Taken together, these actions give the United States a positive framework for leading our producers and trading partners toward more open markets, greater freedom, and human progress.

But progress begins at home. Our economic reforms are based on time-tested principles: spending and monetary restraint to bring down inflation and interest rates and to give lenders confidence in long-term price stability; less regulatory interference so as to stimulate greater competition; and growth of enterprise and employment through tax incentives to encourage work, thrift, investment, and productivity.

Now, we've suffered a long, painful recession brought about by more than a decade of overtaxing and spending and, yes, government intervention. But recession is giving way to a rainbow of recovery, reflecting a renaissance in enterprise. America is on the mend. Inflation has plunged from 12.4% in 1980 to just 3.8% in the last 12 months. And in the last 6 months, it's been running at 1.4%. We've sought common sense in government and competition, not controls, in the marketplace. Two years ago, we accelerated the deregulation of crude oil. And we heard ourselves denounced for fueling inflation. The national average for a gallon of gasoline when we took office was \$1.27, and now you can buy it in most places for less than a dollar. The prime interest rate was a crippling 21.5%. Now, it's down to 10.5%. Tax rates have been cut. Real

wages are improving. Personal savings and productivity are growing again. The stock market has hit a record high. Venture capital investments have reached record levels. Production in housing, autos, and steel is gaining strength. And new breakthroughs in high technology are busting out all over. Katie, bar the door. We're on our way back.

Let me say to the pessimists who would cancel our remaining tax incentives, I have one thing to say: Don't lay a hand on the third year of the people's tax cut or the indexing provision. Indexing is our promise to every working man and woman that the future will not be

made America the greatest nation on Earth. Let us create more opportunities for all our citizens. And let us encourage achievement and excellence. We want America to be a nation of winners again.

Promoting Free Trade

So you might as well know that we will not turn our backs on the principles of our recovery programs, especially on the principles of free trade. The great English historian, Thomas Babington Macaulay, wrote more than a century ago that free trade, one of the greatest blessings which a government can confer

America is on the mend. Inflation has plunged from 12.4% in 1980 to just 3.8% in the last 12 months. And in the last 6 months, it's been running at 1.4%.

like the past. There will be no more sneaky, midnight tax increases by a government resorting to bracket creep to indulge its thirst for deficit spending. To pretend eliminating indexes is somehow fair to working people remind me of Samuel Johnson's comment about the fellow who couldn't see any difference between vice and virtue. He said, "Well, when he leaves the house, let's count the spoons."

Capping the third year tax cut and eliminating indexing and our remaining tax cuts would send the worst possible signal to potential exporters. As I mentioned, 90% of U.S. businesses do not export at all. And about 85% of our firms pay their taxes by the personal income tax. If those who would dismantle the tax cuts get their way, the chilling message to the business community will be: "Don't scrap and struggle to succeed, export, expand your business, and hire more workers because we won't thank and reward you for helping your country. We'll punish you."

Well, maybe I'm old-fashioned, but I don't think pitting one group of Americans against another is what the Founding Fathers had in mind. This nation was not built on a foundation of envy and resentment. The dream I've always believed in is, no matter who you are, no matter where you come from, if you work hard, pull yourself up, and succeed, then, by golly, you deserve life's prize. And trying for that prize

on a people, is unpopular in almost every country. Well, for some, times haven't changed.

There's a great hue and cry for us to bend to protectionist pressures. I've been around long enough to remember that when we did that once before in this century, something called Smoot-Hawley, we lived through a nightmare. World trade fell by 60%, contributing to the great depression and to the political turmoil that led to World War II. We and our trading partners are in the same boat. If one partner shoots a hole in the bottom of the boat, does it make sense for the other partner to shoot another hole in the boat? There are those who say yes and call it getting tough. I call it getting wet—all over.

We must plug the holes in the boat of open markets and free trade and set sail again in the direction of prosperity. No one should mistake our determination to use our full power and influence to prevent anyone from destroying the boat and sinking us all. There's a fundamental difference between positive support of legitimate American interests and rights in world trade and the negative actions of protectionists. Free trade can only survive if all parties play by the same rules. But we're determined to insure equity in our markets. Defending workers in industries from unfair

and predatory trade practices is not protectionism. It's legitimate action under U.S. and international law.

Now, one example of protectionist legislation that could quickly sabotage recovery is the local content rule. This legislation, proposed in the Congress, would force foreign and domestic manufacturers of automobiles sold in the United States to build their cars with an escalating percentage of U.S. parts and domestic labor. The Congressional Budget Office concluded that this would destroy more jobs than it would save. And that's true. It would add substantially to the cost of a new car.

What the proponents of this bunker mentality never point out is that the costs of protectionism for one group of workers are always passed on to another group down the line. And once such legislation is passed, every other industry would be a target for foreign retaliation. We would buy less from our partners. They'd buy less from us. The world economic pie would shrink. Chances for political turmoil would increase dramatically.

Rather than reacting in fear with beggar-thy-neighbor policies, let us lead from strength and believe in our abilities. Let's work at home and abroad to enhance the ability of U.S. producers and industries to compete on a fair and equal basis in the international marketplace.

We're very excited about some landmark legislation that I signed last year—signed, as a matter of fact, here in California—the Export Trading Company Act. It's an innovative idea based on teamwork. I'm confident it will create thousands of new exporters, and I hope some of them are sitting in this room. The law is designed to attract manufacturers, export-management companies, banks, freightforwarders, and other export services into joint efforts to gain foreign markets. The Commerce Department is holding seminars across the country to promote the legislation, and the response has been remarkable.

Thousands have attended, and in some cases, the numbers were so overwhelming people had to be turned away. The majority of attendees have not been lawyers, tax accountants, or, forgive me, bankers, but business people—the people who can take this legislation and use it. They can expand our markets, become exporters, or sell to export trading companies who can do it for them. The bottom line will be a breakthrough in ex-

ports, higher growth, lower deficits, and a tremendous surge in new jobs and opportunities for our people. Each billion dollars that we add in exports means tens of thousands of new jobs.

More companies will seek the world of exports when they realize that government is not an adversary. It's your partner. And I don't mean senior partner. We have eased, substantially, taxation of foreign-earned income, and introduced a 25% tax credit for research and development. We're also working to reform the Foreign Corrupt Practices Act, not to weaken safeguards against bribery but to remove disincentives that discourage legitimate business transactions overseas.

Another obstacle is export controls on technology. A backlog of two thousand applications greeted us when we arrived in office. We eliminated those and relaxed export controls on low technology items that do not jeopardize our national security. Still, there are limits. I'm confident each of you

to the increases this year in the regular loan guarantee program for promoting U.S. farm exports.

To retain America's technological edge—of which there is no greater evidence than California's Silicon Valley—and to revive our leadership in manufacturing, we've implemented a research and development policy to enhance the competitiveness of U.S. industry in the world economy. In our 1984 budget, we've asked for significant increases for basic research. And we will seek to improve the teaching of science and mathematics in secondary schools, so tomorrow's work force can better contribute to economic growth. We will also seek to encourage greater and more creative interaction between university and industry scientists and engineers, through programs similar to the one between Hewlett Packard and Stanford University.

Finally, we're taking steps to encourage more industrial research and development through changes in our tax

Either the free world continues to move forward and sustain the postwar drive toward more open markets, or we risk sliding back to the tragic mistakes of the 1930s, when governments convinced themselves that bureaucrats could do it better than entrepreneurs. The choice we make affects not only our prosperity but our peace and freedom.

understands that we must avoid strengthening those who wish us ill by pursuing short-term profits at the expense of free-world security. Trade must serve the cause of freedom, not the foes of freedom.

To export more, we must do a better job promoting our products. We're strengthening our export credit programs by increasing the level of the Export-Import Bank ceiling on export guarantees. We're also designing a tax alternative to the Domestic International Sales Corporation that will fully maintain existing incentives to our exporters. We've begun a Commodity Credit Corporation blended export credit program for our farmers. And that's in addition

and antitrust policy. And we will attempt to remove legal impediments that prevent inventors of new technology from reaping the rewards of their discoveries.

Supporting American producers gives us the means to press our trading partners toward more free and open markets. We're challenging the unfair agricultural trade practices of Japan and the European Community. And we're charting a new course for the products of the future. We have agreed to a work program with the Government of Japan to eliminate trade and investment barriers to high technology industries. We have also established a working group with the Japanese to actively explore opportunities for the development of abundant energy resources.

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Leading Role of the U.S.

By restoring strength to our economy, enhancing the ability of our producers to compete, America is leading its trading partners toward renewed growth around the world. The world economy, like ours, has been through a wrenching experience: a decade of inflation, ballooning government spending, and creeping constraints on productive enterprise. Other countries, including many of the developing countries, are now making major efforts to restrain inflation and restore growth. The United States applauds these efforts, and we're working in the International Monetary Fund to keep a firm focus on the role of effective domestic policies in the growth and stability of the world economy.

But for all countries, international trade and financial flows are extremely important. Either the free world continues to move forward and sustain the postwar drive toward more open markets, or we risk sliding back to the tragic mistakes of the 1930s, when governments convinced themselves that bureaucrats could do it better than entrepreneurs. The choice we make affects not only our prosperity but our peace and freedom. If we abandon the principle of limiting government intervention in the world economy, political conflicts will multiply and peace will suffer, and that's no choice at all.

The United States will carry the banner for free trade and a responsible financial system. These were the great principles at Bretton Woods, New Hampshire, in 1944, and they remain the core of U.S. policy. We will do so well aware of the changes that have occurred in the international trade and monetary system.

In trade, for example, we've practically eliminated the barriers which industrial countries maintain at the border on manufactured products. Today, tariffs among these countries average less than 5%. Our problems arise instead from nontariff barriers which often reflect basic differences in domestic economic policies and structures among countries. These barriers are tougher to remove. We're determined to reduce government intervention as far as possible and, where that is unrealistic, to insist on limits to such intervention.

In trade with developing countries, on the other hand, tariffs and quotas still play a significant role. Here, the task is to find a way to integrate the developing countries into the liberal trading order of lower tariffs and dismantled quotas. They must come to experience the full benefits and responsibilities of the system that has produced unprecedented prosperity among the industrial countries. We've taken the lead, proposing the Caribbean Basin initiative to encourage poor and middle-income countries to trade more, and we proposed a North-South round of trade negotiations to maintain expanding trading opportunities for more advanced developing countries. We seek to build a collective partnership with all developing countries for peace, prosperity, and democracy.

At the GATT [General Agreement on Tariffs and Trade] ministerial meeting last November, the United States took the lead in resisting protectionism, strengthening existing institutions, and addressing the key trade issues of the future. While we're not totally satisfied with the outcome of that meeting, we'll continue in our support of free and equal trade opportunities for all countries.

Expanding trade is also the answer to our most pressing international financial problem—the mounting debt of many developing countries. Without the opportunity to export, debt-troubled countries will have difficulty servicing, and eventually reducing, their large debts. Meanwhile, the United States will support the efforts of the international financial community to provide adequate financing to sustain trade and to encourage developing countries in the efforts they are making to improve the basic elements of their domestic economic programs.

Earlier this week I forwarded draft legislation to the Congress for additional American support for the International Monetary Fund. Lending by the IMF has a direct impact on American jobs and supports continued lending by commercial institutions. If such lending were to stop, the consequences for the American economy would be very negative.

This spring, in May, the United States will host the annual economic summit of the major industrial countries in Williamsburg, Virginia. The leaders of the greatest democracies will have a

quiet opportunity to discuss the critical issues of domestic and international economic policy and reflect on their individual and collective responsibilities to free peoples throughout the world. It's not a forum for decisionmaking. Each leader is responsible primarily to his or her own electorate. But by exchanging views, these leaders can gain a better understanding of how the future of their own people depends on that of others.

And may I just interject here, something brand new in international relations has been brought about by one Prime Minister Margaret Thatcher. When we sit around those summit tables, the protocol is gone, and we're all on a first-name basis. And she saw to that.

I began today by saying that if we believe in our abilities and work together, we can make America the mightiest trading nation on Earth. Here in this room, and not far from this building, are people and companies with the burning commitment that we need to make our country great. One of those companies, the Daisy Systems Corporation, is a computer firm in Sunnyvale, California. It was formed in August 1980, and it made \$7 million in sales its first shipping year. This year it expects to earn \$25 million and by 1986, \$300 million. Daisy Corporation is already selling its products in the markets of France, Norway, Belgium, Great Britain, Germany, Israel, and Japan. Its work force has nearly quadrupled in the last year.

Well, my dream for America, and I know it's one you share, is to take that kind of success story and multiply it by a million. We can do it. Albert Einstein told us, "Everything that is really great and inspiring is created by individuals who labor in freedom." With all the wisdom in our minds, and all the love in our hearts, let's give of ourselves and make these coming years the greatest America has ever known.

¹Text from Weekly Compilation of Presidential Documents of Mar. 7, 1983. ■

Strategic Importance of El Salvador and Central America

Address before the National Association of Manufacturers, Washington, D.C., on March 10, 1983.¹

We didn't come to Washington at an ideal time, and we've certainly had our share of problems. But the signs of recovery are springing up all around us. There's no mistaking the fact that, at long last, America is on the mend, and the courage and the vision of the people and institutions represented here today deserve a big share of the credit for this hard-earned but inflation-free recovery. So, on behalf of all your fellow citizens who have been freed from the ravages of runaway inflation and can look again to a future of better times and then new opportunity, I thank you.

America is meeting her challenge here at home. But there are other challenges, equally important, that we must face. And today I'd like to talk to you about one of them. Late last year, I visited Central America. Just a few weeks ago, our U.N. Ambassador, Jeane Kirkpatrick, also toured the area. And in the last few days, I have met with leaders of the Congress to discuss recent events in Central America and our policies in that troubled part of the world. So, today I'd like to report to you on these consultations and why they are important to us all.

The nations of Central America are among our nearest neighbors. El Salvador, for example, is nearer to Texas than Texas is to Massachusetts. Central America is simply too close, and the strategic stakes are too high, for us to ignore the danger of governments seizing power there with ideological and military ties to the Soviet Union.

Let me show you just how important Central America is. At the base of Central America is the Panama Canal. Half of all the foreign trade of the United States passes through either the canal or other Caribbean sealanes on its way to or from our ports. And, of course, to the north is Mexico, a country of enormous human and material importance, with which we share 1,800 miles of peaceful frontier.

And between Mexico and the canal lies Central America. As I speak to you today, its countries are in the midst of

the gravest crisis in their history. Accumulated grievances and social and economic change are challenging traditional ways. New leaders with new aspirations have emerged who want a new and better deal for their peoples. That is good.

The problem is that an aggressive minority has thrown in its lot with the Communists, looking to the Soviets and their own Cuban henchmen to help them pursue political change through violence. Nicaragua has become their base. These extremists make no secret of their goal. They preach the doctrine of a "revolution without frontiers." Their first target is El Salvador.

Importance of El Salvador

Why is El Salvador important? Well, to begin with, there is the sheer human tragedy. Thousands of people have already died, and, unless the conflict is ended democratically, millions more could be affected throughout the hemisphere. The people of El Salvador have proved they want democracy. But if guerrilla violence succeeds, they won't get it. El Salvador will join Cuba and Nicaragua as a base for spreading fresh violence to Guatemala, Honduras, Costa Rica—probably the most democratic country in the world today. The killing will increase and so will the threat to Panama, the canal, and ultimately Mexico. In the process, vast numbers of men, women, and children will lose their homes, their countries, and their lives.

Make no mistake. We want the same thing the people of Central America want—an end to the killing. We want to see freedom preserved where it now exists and its rebirth where it does not. The Communist agenda, on the other hand, is to exploit human suffering in Central America to strike at the heart of the Western Hemisphere. By preventing reform and instilling their own brand of totalitarianism, they can threaten freedom and peace and weaken our national security.

I know a good many people wonder why we should care about whether Communist governments come into power in Nicaragua, El Salvador, or such other

countries as Costa Rica, Honduras, Guatemala, and the islands of the Caribbean. One columnist argued last week that we shouldn't care because their products are not that vital to our economy. That's like the argument of another so-called expert that we shouldn't worry about Castro's control over the island of Grenada—their only important product is nutmeg.

Well, let me just interject right here. Grenada—that tiny, little island with Cuba at the west end of the Caribbean, Grenada at the east end—that tiny, little island is building now, or having built for it, on its soil and shores a naval base, a superior air base, storage bases and facilities for the storage of munitions, barracks and training grounds for the military. I'm sure all of that is simply to encourage the export of nutmeg.

People who make these arguments haven't taken a good look at a map lately or followed the extraordinary buildup of Soviet and Cuban military power in the region or read the Soviets' discussions about why the region is important to them and how they intend to use it.

It isn't nutmeg that is at stake in the Caribbean and Central America. It is the U.S. national security. Soviet military theorists want to destroy our capacity to resupply Western Europe in case of an emergency. They want to tie down our attention and forces on our own southern border and so limit our capacity to act in more distant places such as Europe, the Persian Gulf, the Indian Ocean, the Sea of Japan. Those Soviet theorists noticed what we failed to notice—that the Caribbean Sea and Central America constitute this nation's fourth border.

If we must defend ourselves against a large hostile military presence on our border, our freedom to act elsewhere, to help others, and to protect strategically vital sealanes and resources has been drastically diminished.

They know this. They have written about this. We have been slow to understand that the defense of the Caribbean and Central America against Marxist-Leninist takeover is vital to our national security in ways we're not accustomed to thinking about. For the past 3 years, under two presidents, the United States has been engaged in an effort to stop the advance of communism in Central America by doing what we do best—by supporting democracy. For 3 years, our goal has been to support fundamental

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change in this region—to replace poverty with development and dictatorship with democracy.

These objectives are not easy to attain, but we're on the right track. Costa Rica continues to set a democratic example, even in the midst of economic crisis and Nicaraguan intimidation. Honduras has gone from military rule to a freely elected civilian government. Despite incredible obstacles, the democratic center is holding in El Salvador, implementing land reform and working to replace the politics of death with the life of democracy.

So the good news is that our new policies have begun to work. Democracy, with free elections, free labor unions, freedom of religion, and respect for the integrity of the individual, is the clear choice of the overwhelming majority of Central Americans. In fact, except for Cuba and its followers, no government and no significant sector of the public anywhere in this hemisphere want to see the guerrillas seize power in El Salvador.

The bad news is that the struggle for democracy is still far from over. Despite their success in largely eliminating guerrilla political influence in populated areas, and despite some improvements in military armaments and mobility, El Salvador's people remain under strong pressure from armed guerrillas controlled by extremists with Cuban-Soviet support.

The military capability of these guerrillas—and I would like to stress military capability, for these are not peasant irregulars, they are trained military forces—this has kept political and economic progress from being turned into the peace the Salvadoran people so obviously want. Part of the trouble is internal to El Salvador. But an important part is external: the availability of training, tactical guidance, and military supplies coming into El Salvador from Marxist Nicaragua.

I'm sure you've read about guerrillas capturing rifles from government national guard units, and recently this has happened. But much more critical to guerrilla operations are the supplies and munitions that are infiltrated into El Salvador by land, sea, and air—by pack mules, by small boats, and by small aircraft. These pipelines fuel the guerrilla offensives and keep alive the conviction of their extremist leaders that power will ultimately come from the barrels of their guns.

Now, all this is happening in El Salvador just as a constitution is being written, as open presidential elections are being prepared, and as a peace commission named last week has begun to work on amnesty and national reconciliation to bring all social and political groups into the democratic process. It is the guerrilla militants who have so far refused to use democratic means, have ignored the voice of the people of El Salvador, and have resorted to terror, sabotage, and bullets instead of the ballot box.

It isn't nutmeg that is at stake in the Caribbean and Central America. It is the U.S. national security.

Questions Concerning El Salvador

During the past week, we have discussed all of these issues and more with leaders and Members of the Congress. Their views have helped shape our own thinking, and I believe that we've developed a common course to follow. Here are some of the questions raised most often.

First: How bad is the military situation? It is not good. Salvadoran soldiers have proved that when they are well trained, led, and supplied, they can protect the people from guerrilla attacks. But so far, U.S. trainers have been able to train only 1 soldier in 10. There is a shortage of experienced officers; supplies are unsure. The guerrillas have taken advantage of these shortcomings. For the moment, at least, they have taken the tactical initiative just when the sharply limited funding Congress has so far approved is running out.

A second vital question is: Are we going to send American soldiers into combat? And the answer to that is a flat no.

A third question: Are we going to Americanize the war with a lot of U.S. combat advisers? And again the answer is no. Only Salvadorans can fight this war, just as only Salvadorans can decide

El Salvador's future. What we can do is help to give them the skills and supplies they need to do the job for themselves. That mostly means training. Without playing a combat role themselves and without accompanying Salvadoran units into combat, American specialists can help the Salvadoran Army improve its operations. Over the last year, despite manifest needs for more training, we have scrupulously kept our training activities well below our self-imposed numerical limit on numbers of trainers. We are currently reviewing what we can do to provide the most effective training possible to determine the minimum level of trainers needed and where the training should best take place. We think the best way is to provide training outside El Salvador, in the United States, or elsewhere, but that costs a lot more. So the number of U.S. trainers in El Salvador will depend upon the resources available.

Question four: Are we seeking a political or a military solution? Despite all I and others have said, some people still seem to think that our concern for security assistance means that all we care about is a military solution. That's nonsense. Bullets are no answer to economic inequities, social tensions, or political disagreements. Democracy is what we want. And what we want is to enable Salvadorans to stop the killing and sabotage so that economic and political reforms can take root. The real solution can only be a political one.

This reality leads directly to a fifth question: Why not stop the killings and start talking? Why not negotiate? Well, negotiations are already a key part of our policy. We support negotiations among all the nations of the region to strengthen democracy, to halt subversion, to stop the flow of arms, to respect borders, and to remove all the foreign military advisers—the Soviets, the Cubans, the East Germans, the PLO [Palestine Liberation Organization], as well as our own—from the region. A regional peace initiative is now emerging. We've been in close touch with its sponsors and wish it well. And we support negotiations within nations, aimed at expanding participation in democratic institutions—at getting all parties to participate in free, nonviolent elections.

What we oppose are negotiations that would be used as a cynical device for dividing up power behind the people's back. We cannot support

negotiations which, instead of expanding democracy, try to destroy it—negotiations which would simply distribute power among armed groups without the consent of the people of El Salvador. We made that mistake some years ago in Laos when we pressed and pressured the Laotian Government to form a government, a co-op, with the Pathet Lao—armed guerrillas who'd been doing what the guerrillas are doing in El Salvador. And once they had that tripartite government, they didn't rest until those guerrillas, the Pathet Lao, had seized total control of the government of Laos.

The thousands upon thousands of Salvadorans who risked their lives to vote last year should not have their ballots thrown into the trash heap this year by letting a tiny minority on the fringe of a wide and diverse political spectrum shoot its way into power. No, the only legitimate road to power, the only road we can support, is through the voting booth, so that the people can choose for themselves—choose, as His Holiness the Pope said Sunday, "far from terror and in a climate of democratic conviviality." This is fundamental, and it is a moral as well as a practical belief that all free people of the Americas share.

U.S. Policy Toward El Salvador

Having consulted with the Congress, let me tell you where we are now and what we will be doing in the days ahead. We'll welcome all the help we can get. We will be submitting a comprehensive, integrated, economic and military assistance plan for Central America.

First, we will bridge the existing gap in military assistance. Our projections of the amount of military assistance needed for El Salvador have remained relatively stable over the past 2 years. However, the Continuing Resolution budget procedure in the Congress last December led to a level of U.S. security assistance for El Salvador in 1983 below what we'd requested, below that provided in 1982, and below that requested for 1984. I am proposing that \$60 million of the monies already appropriated for our worldwide military assistance programs be immediately reallocated to El Salvador.

Further, to build the kind of disciplined, skilled army that can take and hold the initiative while respecting the rights of its people, I will be amending my supplemental that is currently before

the Congress, to reallocate \$50 million to El Salvador. These funds will be sought without increasing the overall amount of the supplemental that we have already presented to Congress. And, as I have said, the focus of this assistance will remain the same: to train Salvadorans so that they can defend themselves. Because El Salvador's security problems are not unique in the region, I will also be asking for an additional \$20 million for regional security assistance. These funds will be used to help neighboring states to maintain their national security and will, of course, be subject to full congressional review.

Second, we will work hard to support reform, human rights, and democracy in El Salvador. Last Thursday, the Salvadoran Government extended the land reform program which has already distributed 20% of all the arable land in the country and transformed more than 65,000 farm workers into farm owners. What they ask is our continued economic support while the reform is completed. And we will provide it. With our support, we expect that the steady progress toward more equitable distribution of wealth and power in El Salvador will continue.

Third, we will, I repeat, continue to work for human rights. Progress in this area has been slow, sometimes disappointing. But human rights means working at problems, not walking away from them. To make more progress, we must continue our support, advice, and help to El Salvador's people and democratic leaders. Lawbreakers must be brought to justice, and the rule of law must supplant violence in settling disputes. The key to ending violations of human rights is to build a stable, working democracy. Democracies are accountable to their citizens. And when abuses occur in a democracy, they cannot be covered up. With our support, we expect the government of El Salvador to be able to move ahead in prosecuting the accused and in building a criminal justice system applicable to all and ultimately accountable to the elected representatives of the people.

Now, I hope you've noticed that I was speaking in millions, not billions, and that, after 2 years in Federal office, is hard to do. In fact, there are some areas of government where, I think, they spill as much as I've talked about here over a weekend.

Fourth, the El Salvador Government proposes to solve its problems the

only way they can be solved fairly—by having the people decide. President Magana has just announced nationwide elections moved up to this year, calling on all to participate—adversaries as well as friends. To help political adversaries participate in the elections, he has appointed a peace commission, including a Roman Catholic bishop and two independents. And he has called on the Organization of American States (OAS) and the international community to help. We were proud to participate, along with representatives of other democratic nations, as observers in last March's Constituent Assembly elections. We would be equally pleased to contribute again to any international effort, perhaps in conjunction with the OAS, to help the government insure the broadest possible participation in the upcoming elections—with guarantees that all, including critics and adversaries, can be protected as they participate.

Let me just say a word about those elections last March. A great worldwide propaganda campaign had, for more than a year, portrayed the guerrillas as somehow representative of the people of El Salvador. We were told over and over again that the government was the oppressor of the people.

Came the elections, and suddenly it was the guerrilla force threatening death to any who would attempt to vote. More than 200 busses and trucks were attacked and burned and bombed in an effort to keep the people from going to the polls. But they went to the polls, they walked miles to do so and stood in long lines for hours and hours. Our own congressional observers came back and reported one instance that they saw themselves of a woman, who had been shot by the guerrillas for trying to get to the polls, standing in the line refusing medical attention until she had had her opportunity to go in and vote. More than 80% of the electorate voted. I don't believe here in our land, where voting is so easy, we've had a turnout that great in the last half century. They elected the present government, and they voted for order, peace, and democratic rule.

Promoting Regional Economic Progress

Finally, we must continue to help the people of El Salvador and the rest of Central America and the Caribbean to make economic progress. More than

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three-quarters of our assistance to this region has been economic. Because of the importance of economic development to that region, I will ask the Congress for \$65 million in new monies and the reprogramming of \$103 million from already appropriated worldwide funds for a total of \$168 million in increased economic assistance for Central America. And to make sure that this assistance is as productive as possible, I'll continue to work with the Congress for the urgent enactment of the long-term opportunities for trade and free initiative that are contained in the Caribbean Basin initiative.

In El Salvador and in the rest of Central America, there are today thousands of small businessmen, farmers, and workers who have kept up their productivity as well as their spirits in the face of personal danger, guerrilla sabotage, and adverse economic conditions. With them stand countless national and local officials, military and civic leaders, and priests who have refused to give up on democracy. Their struggle for a better future deserves our help. We should be proud to offer it, for, in the last analysis, they are fighting for us, too.

The Need for U.S. Support

By acting responsibly and avoiding illusory shortcuts, we can be both loyal to our friends and true to our peaceful, democratic principles. A nation's character is measured by the relations it has with its neighbors. We need strong, stable neighbors with whom we can cooperate. And we will not let them down.

Our neighbors are risking life and limb to better their lives, to improve their lands, and to build democracy. All they ask is our help and understanding as they face dangerous, armed enemies of liberty, and that our help be as sustained as their own commitment. None of this will work if we tire or falter in our support. I don't think that is what the American people want or what our traditions and faith require. Our neighbors' struggle for a better future deserves our help, and we should be proud to offer it.

We would, in truth, be opening a two-way street. We have never, I believe, fully realized the great potential of this Western Hemisphere. Oh, yes, I know in the past we have talked of plans, we've gone down there every once in a while with a great plan somehow for our neighbors to the south, but it was always a plan which we—the big

colossus of the north—would impose on them. It was our idea.

On my trip to Central and South America, I asked for their ideas. I pointed out that we had a common heritage. We'd all come as pioneers to these two great continents. We worshipped the same God, and we'd lived at peace with each other longer than most people in other parts of the world.

There are more than 600 million of us calling ourselves Americans—North, Central, and South. We haven't really begun to tap the vast resources of these continents.

Without sacrificing our national sovereignties, our own individual cultures or national pride, we could as neighbors make this Western Hemisphere—our hemisphere—a force for good such as the Old World has never seen. But it starts with the word neighbor. And that is what I talked about down there and sought their partnership—their equal partnership—in we of

the Western Hemisphere coming together to truly develop fully the potential this hemisphere has.

Last Sunday, His Holiness Pope John Paul II prayed that the measures announced by President Magana would "contribute to orderly and peaceful progress" in El Salvador, progress "founded on the respect for the rights of all, and that all have the possibility to cooperate in a climate of true democracy for the promotion of the common good."

My fellow Americans, we in the United States join in that prayer for democracy and peace in El Salvador, and we pledge our moral and material support to help the Salvadoran people achieve a more just and peaceful future. And in doing so, we stand true to both the highest values of our free society and our own vital interests.

¹Text from Weekly Compilation of Presidential Documents of Mar. 14, 1983. ■

News Conference of February 16 (Excerpts)

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Q. The Senate Foreign Relations Committee today held off your nomination of Kenneth Adelman as arms control director, and several Senators asked that you withdraw his nomination. Will you?

A. No, I believe the young man is eminently qualified for this. All of his experience indicates it. He is well educated. He is a very intelligent man—his experience with Jeane Kirkpatrick up at the United Nations and all. And I don't believe that they, in delaying this, have done anything to help us in our efforts to get an arms reductions agreement. I look very much forward to having him doing this, and I have to disagree with those who—

First of all, arms reduction should not be a political problem on the Hill. It's too serious, and we are too concerned with it. Frankly, I feel that since I was the one who took the lead in bringing about the first real arms reduction talks that we've ever been able to hold with the Soviet Union—and they are engaged in those talks right now—I believe that I had a right to ask for my choice of whom I thought could be of help to me in that.

Q. What do you expect to do in the next week to turn around that majority that is now against Mr. Adelman? And if Mr. Adelman can't win the confidence of the Republican majority in the Senate Foreign Relations Committee, how do you expect him to be an effective spokesman for the United States with the Soviet Union and our European allies?

A. I think that what I'll do—you don't give away trade secrets or anything, but I will try to be as persuasive as I can and make them see the light. If that falls short, maybe I'll try to make them feel the heat.

Q. Since November 1981 your Administration has stuck to the so-called zero option in the INF [intermediate-range nuclear forces] phase, and that tack so far has just led to deadlock. There's been a good deal of debate inside the Administration about offering a different position, one that might lead to more bargaining. You've apparently chosen not to do that. Can you tell us why?

A. No, the situation is just exactly what [Vice President] George Bush was telling our friends in Europe—calling attention back to when I first, before the

Press Club, introduced this proposal for zero option—I said that we would negotiate in good faith any legitimate proposal that might be offered. We still say the same thing. So far, no legitimate counterproposal has been offered that would warrant negotiation or study. But we do believe that the zero option is the moral high ground in this situation, that the opportunity in that area to get rid of an entire class of weapons and release both the Soviet Union, the Eastern bloc, and Western Europe from the threat that is hanging over them warrants doing our best to get that solution.

Q. By clinging to that position, if it's leading nowhere, don't you run the risk of the worst of both worlds—no agreement with the Soviets and a backing down by the European allies about deployment of the new cruise missiles and Pershings?

A. Let me just say, without getting into the strategy of negotiating, I don't believe we've reached that point yet. And I don't think that's a valid threat.

Q. Back on your arms control director nomination, Kenneth Adelman. He was quoted today in the Senate Foreign Relations Committee hearing as having said that, "Arms talks are a sham that we just have to play out to keep the American people and European allies happy." With that kind of statement on the record from him, and with the fact that he doesn't have a lot of practical experience in arms control negotiations, are you not handing the Soviet Union a propaganda advantage in that propaganda war in Europe by presenting this man as our lead man on arms control?

A. No, I don't believe so, and I don't—I know that he is aware of what we're proposing and what we're trying to do. And it isn't—he knows it isn't a sham, that we're as on the level as anyone can be in trying to promote this. And I think he can be helpful in that. I think that it would be far more destructive to our allies and their peace of mind to see me repudiated by a Senate committee on someone that I want to help in this after the great success that George Bush has had and George Shultz in Asia.

Q. In not voting on him today, as I understand the committee action, rather than vote against your choice, they're asking you not to make them

do that, but to withdraw him so they won't have to. But if they did have a vote, they would have voted against him. So—

A. Either way I would lose then, wouldn't I? And what's the difference whether I surrender or they beat me by one vote?

Q. There's a report tonight that we have sent AWACS [airborne warning and control system] to Egypt and that we've sent a carrier nearby. And I wanted to ask you, do you fear that there's going to be a Libyan attack on Egypt, or could you explain why we've taken these actions that we apparently have taken?

A. I don't believe that there's been any naval movement of any kind. And we're well aware of Libya's attempts to destabilize its neighbors and other countries there in that part of the world.

But the AWACS, this is not an unusual happening. We have conducted joint exercises and training exercises with the Egyptian Air Force—one, last year. We'll do more in the future. These planes have been there for quite some time in Egypt, the AWACS planes, for this kind of an exercise, and that's what they're going to conduct.

Q. You don't see, then, any unusual or particular threat from Libya toward Egypt or its neighbors at this moment beyond the general attitude the Libyans have had?

A. As I've said to you, we're well aware of their propensity for doing things like that, so we wouldn't be surprised. But this is an exercise that we've done before, are going to do again, and going to do it now. And there, as I say, has been no naval movement at all.

Q. We understand that the threat may be from [Col. Muammer] Qadhafi to the Sudan. How serious is the threat to the Sudan? And, if necessary, would you use American forces to stop Qadhafi?

A. I don't think there's any occasion for that; it's never been contemplated. But we've known that the Sudan is one of the neighboring states that he has threatened with destabilizing and so

forth, just as he has with Chad. And that's all I can say about that. But, no, we don't have any forces in that area that would be involved.

Q. The question arises because, you'll remember very well, in 1981 we shot down two of Qadhafi's aircraft that we said were challenging us in the Gulf of Sidra. I take it if we do have naval forces there we'd repeat that, if necessary?

A. This was an exercise that is held annually by our Navy, and part of the force was deployed narrowly in the Gulf of Sidra, which he had tried to claim—international water or was—not international waters, I'm sorry—was his waters. This is as if we ran a line from the Texas border over to the tip of Florida and said the Gulf of Mexico is American waters. No one else can get in.

But in that instance, it was just very clearcut. They sent out planes, and they shot missiles at two of our airplanes. And two of our airplanes turned around and shot missiles at them. We were just better shots than they were.

Q. Would we do it again if necessary?

A. I think that any time that our forces, wherever we have put them, are fired upon, I have said, they've got a right to defend themselves, yes.

Q. In a recent interview, you indicated that if the stabilization of Lebanon would require more peace-keeping forces that we ought to be willing to do that. Is the United States proposing or is it backing a plan that would include more peace-keeping forces in Lebanon, and would those forces be somewhere other than the Beirut area?

A. We have said—and there had been talk of this with regard to the difficulty in getting the present forces of the PLO, the Syrians, and the Israelis out of Lebanon while they establish themselves and their government—we have said that if in consultation with our allies, the multinational forces, if an increase and redeployment of those forces could aid and speed up this getting of the other forces out of there, I would be willing to go along with that. Of course, we would have to have the equal agreement of our allies in that, or maybe other countries could join, too.

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I think it would be well worth it, because this is too great an opportunity to finally bring peace to the Middle East for us to let this go by. And I would like—as I say, I think it would be well worth the price to have them there. It doesn't mean that their duty would be very much different than it is today. It's to be a stabilizing force while Libya [Lebanon] recovers from this long period of warlords with their own armies and so forth, and establishes its sovereignty over its own borders.

Q. You seem to be indicating that you have decided. Have you proposed it? Is it part of the plan that Mr. Habib [Philip C. Habib, special representative of the President to the Middle East] has taken?

A. No, this is just, as I've said, that if this should become a factor, and this could be the key element in resolving this situation, this departure of forces from Lebanon. Then, yes, I would be willing to go along with this.

Q. As you know, there's an election approaching in West Germany, and the latest polls appear to give the opposition a prospect at least of winning those elections in March. What do you think the consequences would be for the Western alliance if a new German Government took office and declined to deploy the Pershing missiles?

A. I think it would be a terrible setback to the cause of peace and disarmament. So far, I've had no indication that

that would be a possibility. Herr Vogel [Hans-Jochen Vogel, Social Democratic Party candidate for chancellor] has been here in this country. He indicated support of what it is that we're proposing in the arms reduction talks, and he seemed to indicate his knowledge of how important our continued plan to deploy—remember, at their request—those missiles would be in securing this reduction in armaments.

So, we're not going to inject ourselves into anyone else's internal affairs or elections at all. But I believe that the Vice President's trip there found great support all over Europe of what it is we're doing, and in Germany, even, from the fact that there is—they're preparing for an election.

Q. So you think the deployment question will not turn on the West German elections, then?

A. No, I don't. I don't really believe that.

When I said it would be terrible, I did not mean that to infer as that someone else might win an election. I meant that it would be terrible if any of our allies withdrew from their present position of support for this.

Q. The message that Vice President Bush seemed to bring back and that we heard from him on television last week was that they do support your zero option proposal, but since it has gotten nowhere that they would

very much like the consideration of a so-called interim move toward less progress. Coming out of your spokesman in the past 2 or 3 days seems to be a very hard line against that, and I wonder, don't you think that is making it politically more difficult for the NATO leaders to—

A. No, what he came back with was support expressed for our zero option. And what he also did—there's no question about, they wanted to know whether we're going to be willing to talk other issues—and he pointed out to them my original statement, and that has been our position. If somebody wants to present another offer, we'll negotiate in good faith with this.

Q. Since your zero option, Mr. Andropov [Yuriy V. Andropov, General Secretary of the Communist Party of the Soviet Union] made a counter-proposal which has been rejected here. Doesn't that leave a lot of NATO leaders feeling like the ball should be in your court if there is going to be some—

A. No, when you—you know, I said a reasonable proposal. A hundred and sixty-two missiles with three warheads on each one—we are up to the neighborhood of 500 missiles—and yet we would still be zero; we would not have any deterrent force on our side—that does not sound to me like a reasonable proposal. Now, I think the ball is still in their court.

Text from Weekly Compilation of Presidential Documents of Feb. 21, 1983. ■

Foreign Aid and U.S. National Interests

Secretary Shultz's address before the Southern Center for International Studies, Atlanta, Georgia, on February 24, 1983.¹

A speech such as today's provides an opportunity for me to use a wide-angle lens. Although the broad picture is ever in our mind, the day-to-day business of the State Department generally finds us using not the broad brush but the jeweler's glass as we examine the myriad individual issues on which our foreign relations turn. So today I want to begin by opening the lens full scope. I will describe the fundamental tenets which underlie President Reagan's foreign policy.

Then I'd like to turn the lens down in two successive notches: first, a moderate turn to discuss the importance to our foreign policy of the more than 100 developing countries of the Third World—Asia, Africa, and South America.

Finally, I plan to focus way down and—in this time of tight budgets—discuss the funds which the United States must expend to achieve its objectives. Contrary to popular opinion, the currency of foreign affairs is not cookies. It takes resources—modest but sustained, applied credibly over time—to secure international peace, foster economic growth, and help insure the well-being of each of our citizens. But we'll start with the broader view.

Fundamental Tenets of U.S. Foreign Policy

Since his inauguration 2 years ago, President Reagan has sought to revitalize U.S. foreign policy. He is resolved to reduce a decade's accumulation of doubt about the U.S. commitment and staying power. Our watchwords in doing this are four ideas:

First, we start with realism.

Second, we build our strength.

Third, we stress the indispensable need to negotiate and to reach agreements.

Fourth, we keep the faith. We believe that progress is possible even though the tasks are difficult and complex.

Let me take each of these very briefly in turn. I'm very conscious of

them, because as I get caught up in the day-to-day details of foreign policy and go over to the White House to discuss my current problems with the President, he has the habit of bringing me back to these fundamentals. And I believe they are truly fundamental.

Realism. If we're going to improve our world, we have to understand it. And it's got a lot of good things about it; it's got a lot of bad things about it. We have to be willing to describe them to ourselves. We have to be willing if we see aggression to call it aggression. We have to be willing if we see the use of chemical and biological warfare contrary to agreements to get up and say so and document the point. When we see persecution, we have to be willing to get up and say that's the reality, whether it happens to be in a country that is friendly to us or not.

When we look at economic problems around the world, we have to be able to describe them to ourselves candidly and recognize that there are problems. That's where you have to start, if you're going to do something about them. So, I think realism is an essential ingredient in the conduct of our foreign policy.

Strength. Next, I believe is strength. We must have military strength, if we're going to stand up to the problems that we confront around the world and the problems imposed on us by the military strength of the Soviet Union and the demonstrated willingness of the Soviet Union to use its strength without any compunction whatever.

So, military strength is essential, but I think we delude ourselves if we don't recognize—as we do, as the President does—that military strength rests on a strong economy; on an economy that has the capacity to invest in its future, believe in its future—as you do here in Atlanta; an economy that brings inflation under control and that stimulates the productivity that goes with adequate savings and investment and has given us the rising standard of living and remarkable economic development that our country has known. But more than that, we have to go back to our own beliefs and ideals and be sure that we believe in them. And there is no way to do that better than to live by them ourselves. So, we have to maintain our own self-confidence and our own will

power and our own notion that we are on the right track to go with the strength in our economy and our military capability.

Negotiation. Of course, beyond this, if we are realistic and we are strong, I believe it is essential that we also are ready to go out and solve problems, to negotiate with people, to try to resolve the difficulties that we see all around the world—not simply because in doing so we help the places where those difficulties are but because in doing so we also help ourselves, we further our own interests. So, negotiation and working out problems has got to be a watchword for us, and we do that all around the world. I think it is no exaggeration to say that the efforts of the United States resulted in saving the city of Beirut from complete destruction. We are active in trying to resolve difficulties in Kampuchea. We have called attention to the problems in Afghanistan. We're working in southern Africa in a most difficult situation to bring about a resolution of the Namibia issues, and so on around the world. But I like to think that the United States must be conceived of as part of the solution and not part of the problem. That's where we want to be standing.

Finally, if we can achieve these things, if we can be strong enough so that people must take us seriously, and put our ideas forward in a realistic manner, then we will be able to solve problems and have some competence to be successful, and, if we're successful, certainly the world can be better.

Relations With the Third World

Against that background, let me turn to the problems of the Third World and our dealings with them and our stake in doing so successfully. Many of our citizens still see the developing countries as accessories to our basic interests. But over the past two decades, these countries have increasingly moved to the front of the stage where issues of peace and prosperity are played out. I believe this trend has assumed such proportions that I can advance two fundamental propositions.

First, there will be no enduring economic prosperity for our country without economic growth in the Third World.

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Second, there will not be security and peace for our citizens without stability and peace in developing countries.

Let me explain these propositions. For the past 15 years, until the current recession took its toll, the developing countries as a whole have been growing more rapidly than the United States and Europe. As they have grown, they have become increasingly important as customers and suppliers for ourselves and other industrial nations.

In 1980, developing countries purchased about 40% of U.S. exports—more than bought by Western Europe, Eastern Europe, the Soviet Union, and China combined. These countries have accounted for more than half the growth in U.S. exports since 1975. At this juncture, approximately 1 out of every 20 workers in our manufacturing plants and 1 out of every 5 acres of our farmland produce for Third World markets. I might say that 2 out of every 5 acres of our farmland produce for export. That's how interrelated our farm community is with the international community.

The current worldwide recession has vividly—if painfully—highlighted these relationships. In the past several years, growth rates in the developing countries have dropped from over 5% per year to around 2%. Partly as a result, our exports to these countries—which were increasing at more than 30% a year in the late 1970s—have tapered off. For example, in the first 8 months of 1982, U.S. exports to Mexico dropped 26%; to Chile, 59%; and to Thailand, 25%. According to estimates, every \$1 billion decline in U.S. exports erases 60,000–70,000 U.S. jobs after multiplier effects are taken into account. There's a direct correlation. Today some of the workers in our unemployment lines and some of the businesses and farms on the auction block are living, if unwanted, proof that the well-being of our citizens is linked to the well-being of citizens in the Third World.

On the other side of the trade ledger, the developing countries supply about 40%–45% of the goods which we import for our factories and consumers. Although we are richer in minerals than most industrialized countries, the Third World supplies more than half the bauxite, tin, and cobalt used by U.S. industry. For some 11 other strategic metals and minerals, the developing countries supply more than half of our imports. For some natural products, such as rubber, coffee, cocoa, and hard fibers, the Third World supplies everything we use.

This intertwining of the European

and our economy with those of the Third World will increase in the 1980s and 1990s. As the recession fades, we can expect the faster growing countries—particularly in Asia but also in South America—to resume their role as engines of growth in the world economy. They will open up new opportunities for our exports and jobs for our citizens. We have an abiding interest in fostering this growth.

It is for this reason that we are joining with other industrial nations to add funds to the International Monetary Fund. These funds are critical to helping debt-plagued developing countries make painful but unavoidable adjustments in their economies and thereby resume healthy growth rates. We have a direct stake in their success.

For this reason, also, we resist—and call on all Americans to resist—pleas for further protectionism. Putting up barriers to imports will only result in losing markets for our exports and paying higher prices for goods. Resorting to protectionism as an antidote to recession is like turning to alcohol to ward off the cold. It may feel good at first, but it shortly becomes corrosive. The tonic for our ills is noninflationary growth, not stiff draughts of old Smoot-Hawley.

Beyond the demands of economies, the Third World is fundamental to our aspirations for security and peace.

Beyond the demands of economies, the Third World is fundamental to our aspirations for security and peace. Since 1950, most of the major threats to international stability, and the chief opportunities for expansion of the Soviet Union's political reach, have come in the Third World. The headlines have rung with now familiar names: Korea in 1950; Dienbienphu in 1954; Suez, Cuba, and more recently Iran, Angola, Afghanistan, Kampuchea, El Salvador, and Ethiopia.

A study by the Brookings Institution has identified no fewer than 185 incidents in developing countries since the end of World War II when U.S. military forces were used in situations which threatened our political or economic interests. As we speak today, 1,200 Marines are on duty in Lebanon helping again to patch the torn fabric of peace.

The point is clear. The fault line of

global instability runs strongly across the continents of the Third World. This instability is inimical to our security in many ways. Small incidents can flare into larger conflagrations and potentially into confrontations between the superpowers. Korea and Cuba teach this lesson well.

More subtly, the Soviet Union and its allies are able to feed on political instability. Some of the most significant uses by the Soviets of military power since World War II have been in the developing world. The Soviet deployment of a deepwater navy, an airlift capacity, and mobile ground forces have given them the ability to intervene when they perceive opportunities.

In addition, the Soviet Union supports 870,000 troops in North Korea—60% more than maintained by South Korea. It bankrolls the Vietnamese Army, which has positioned 180,000 troops directly on the border of Thailand. It supports about 40,000 Cuban troops in Angola, Ethiopia, and Mozambique. In 1981, the Soviet Union supplied about three times as many tanks, aircraft, and artillery pieces as did the United States.

We cannot ignore these realities as they challenge our national interests. Strategically, some of the least secure Third World countries are sources of critical raw materials or lie astride sealanes which carry our military forces and world commerce. The premier example is the Persian Gulf. About 32% of the free world's oil supplies is pumped there. The region is vital to the economic and political security of Europe, Japan, and the United States. It is in our interest to build stability in this region and thereby help assure access to those supplies.

As a parenthetical remark, I want to mention my belief that the recent decline in oil prices—and the possibility of further declines—will spur the free world's economic recovery. For some countries—such as Venezuela and Mexico—cheaper oil surely means tougher times. But it will be good for most of us. I have seen one illustrative estimate that a decline in oil prices to \$20 per barrel would boost real growth rates in the industrial countries by up to 1.5%. A less steep decline would have proportionately positive effects. So, I have the sense that as people contemplate the declines in oil prices, there's a tendency for people to wring their hands about what happened to this or that business or financial institution or country—and there are problems and we need to look at them, all right. But let's not forget the

main point, it's going to be good for us and good for economic growth, which we need.

The job of building our security also requires that we maintain military facilities and strengthen indigenous defense forces around the world. This includes U.S. bases in the Philippines and in Turkey, the Azores, Morocco, and other strategically placed countries.

The United States cannot defend its interests by operating out of the United States and Europe alone. We need the cooperation of countries in the Third World to grant transit, refueling, and base rights. Otherwise, while we may wish to build up a rapid deployment force, we will be unable to deploy it without Third World friends who will allow us to use their facilities. We must be prepared, in turn, to help these key countries achieve their aspirations for security and economic growth. This is not just a short-term proposition. The process of mutual cooperation weaves ties of interdependence and friendship which will redound to our benefit in years to come.

It goes without saying that the least desirable method for preserving our strategic interests and insuring stability in the developing countries is by sending in U.S. forces. The 185 incidents which I mentioned earlier represent, in essence, 185 failures to resolve problems by more measured means. If we are to reduce incidents in the future, we need a significant program—sustained over time—to secure peace and economic well-being in regions vital to our security.

U.S. Security and Development Cooperation Program

In fact, we have such a program. It is called the U.S. Security and Development Cooperation Program. Although our Administration has clarified its goals and sharpened its focus, it is essentially the same program endorsed by every U.S. President since Harry Truman. It's sometimes called foreign aid and all too often depicted as a giveaway. But that is a misnomer. The program's purpose is to create those conditions of growth, security, and freedom in developing countries which serve the fundamental interests of each U.S. citizen.

Let me give some examples of how it works. Our highest priority in this program is bringing peace to the Middle

East. Because of the ties between the United States and Israel, a crisis in this region has always placed us in the center of a potentially serious world confrontation. This has been so for more than 25 years. Achieving a lasting peace in the Middle East will not only benefit each and every citizen in those lands but will ease one of the fundamental threats to world peace and our own security.

Making peace there means more than holding talks, as vital as these are. Sustained economic growth is needed in Egypt, Israel, and Jordan. Lebanon needs to open roads, restore electrical service, restart its economic engines, and resume its place as a stable and friendly nation in that part of the world. These countries also need to be able to defend themselves against those they see as aggressors. In this circumstance, we and other nations provide both economic and military aid. This aid is indispensable to the peace process.

Another program—with particular bearing here in the south—is the President's Caribbean Basin initiative. Some of you have dealt directly with the consequences of poverty, political turmoil, and Soviet/Cuban interventionism near our shores. These have come in human form—off airplanes and out of boats—to present in person their claims for a better deal. For the south, the need to help the Caribbean and Central American nations grow economically and build democratic institutions is not an abstract issue. It is one which can directly affect your economy and society.

Another part of our program is helping curb the rampant population growth which underlies much of the Third World's poverty and threatens our planet's resource base. The arithmetic is inexorable. Before World War II there were more than 2 billion people in the world. Now there are 4.3 billion. Even though growth rates have slowed in recent years, 17 years from now, in the year 2000, there will be 6 billion. If we act effectively, the world population may stabilize at between 12 and 16 billion in the last half of the next century. That's 12–16 billion people to feed, clothe, and provide jobs for.

To bring it closer to home, Mexico currently has 62 million people. If they are able to lower their birth rate to the two-children-per-family level in the first 20 years of the next century, they will have "only" about 250 million people when their population stops growing.

Faced with these numbers, the United States provides direct technical

advice and training to 27 countries to assist them to mount voluntary family planning programs. It's been an effective effort. We have a deep interest in continuing it.

Similarly, we provide funds for U.S. agricultural universities to help developing countries grow more food. Although there are food surpluses now, population increase, plus growth in the world economy, means that food production in the developing countries must keep growing at 3%–4% per year, or we may all face shortages and rising prices again by the end of the decade.

So with U.S. funds, Mississippi State is introducing improved seed in Thailand. The University of Florida is increasing crop production in Ecuador. Auburn is working in Jamaica and Indonesia on fish production. It is in all our interests that these universities, and others across our agricultural heartland, continue with our support to devote some of their considerable talents to building secure food supplies in the world.

Let me give one more example, this time on the security side. A glance at a map indicates the importance of Turkey to our strategic interests. It sits like a wedge between the Soviet Union, the Middle East, and the western flank of the Persian oil fields. With Iran and Iraq in turmoil, the importance of an economically and militarily strong Turkey has increased. In the last few years, the Russians have increased the size of their forces stationed north of Turkey.

Hence, we and other countries of Europe, led by the Germans, are helping the Turks spur their economy and replace obsolete tanks and other equipment in their armed forces. The cost to us of assisting Turkey maintain strong defense forces between Russia and the Middle East is less than one-sixth of the cost of maintaining U.S. soldiers overseas for the same purpose.

These are examples of how an investment of our resources contributes to the well-being and security of each of us in this room. The cost is modest. For the coming fiscal year, the amounts we've requested from the Congress for the examples I've given work out as follows for each U.S. citizen:

For building peace in the Middle East	\$12.35	per person
For the Caribbean Basin	\$3.84	per person
For curbing population growth ..	.92¢	per person
For building secure food supplies ..	\$3.15	per person
For helping Turkey ...	\$1.78	per person

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The total request for all our security and economic assistance programs in the developing countries is \$43.91 per person.¹ By contrast, we Americans spend \$104 per person a year for TV and radio sets, \$35 per person per year for barber-shops and beauty parlors, \$97 per person per year for soap and cleaning supplies, and \$21 per person per year for flowers and potted plants.

I'm not belittling any of these expenses. That's not my intent. They're part of our commerce, which provides us with jobs as producers and satisfies us as consumers. I am simply trying to establish some relative values.

Every American must understand that it's necessary to spend a fraction of our collective resources to secure our most precious goals of freedom, economic well-being, and peace. An esteemed son of Georgia and predecessor of mine, Dean Rusk, said it succinctly: "Freedom is not free."

Progress Is Possible

Let me close by opening my lens back up and reverting to the fourth of the tenets which guide our conduct of foreign affairs: namely, our conviction that progress is possible. We Americans have lived for over 40 years in a tumultuous world in which we have pursued four basic goals:

First, building world peace and deterring war—above all, nuclear war which would threaten human existence;

Second, containing the influence of nations which are fundamentally opposed to our values and interests—notably the Soviet Union and its allies;

Third, fostering a growing world economy and protecting U.S. access to free markets and critical resources; and

Fourth, encouraging other nations to adopt principles of self-determination, economic freedom, and the rule of law which are the foundation stones of American society.

In these endeavors, we have had some signal successes. Some formerly

troubled countries of the world—for instance, the countries of East Asia—are now relatively strong and prosperous. Western Europe, a cockpit of warring nationalities for a century, has been at peace for 37 years. Progress has been made in fundamental areas affecting the mass of mankind: better health, longer life expectancy, more schooling, increased income. We have a chance in the coming year to make major strides in fashioning peace in the Middle East.

Americans as a people are pragmatists, suspicious of grand assurances or easy promises. But I'm convinced that if we persevere—proceeding realistically, backed by strength, fully willing to negotiate and search for agreement—we

will be able to brighten the future for ourselves and for others throughout the world.

¹Press release 62.

The figures cited are derived by dividing the Administration's FY 1984 request for development assistance, PL 480, economic support funds, military education and training program, military assistance and foreign military grants by the U.S. population of approximately \$230 million. The figures do not include foreign military sales guaranteed loans which are extended at market or near-market rates to foreign governments. These loans by law are not included in the U.S. budget. ■

Question-and-Answer Session Following Atlanta Address

Following is an excerpt from a question-and-answer session Secretary Shultz held with the audience at the conclusion of his address before the Southern Center for International Studies in Atlanta on February 24, 1983.

. . . .

Q. Today's *New York Times* reports on page 1 that Moshe Arens is reported to be saying that Jordan is the Palestinian homeland. Would you comment on that?

A. There are many Palestinians living in Jordan. The point is, however, that there are also many Palestinians living on the West Bank and Gaza. There are also many Palestinians who are homeless and refugees in other countries, notably Lebanon. And it must be true that one of the principal reasons why we have so much difficulty with peace in the Middle East is that we haven't been able to find the answer to the legitimate rights and aspirations of the Palestinian people. We have to address ourselves to that issue, and the President's September 1 "fresh start proposal"—fully consistent with the Camp David accords which have tremendous ingenuity and creativity in them—aspires to do that. So, without in any way commenting on whatever the context was of that comment, I don't think you can pass off the Palestinian

issue with a statement about the Palestinians and Jordan. The problem is deeper and bigger than that. [Applause]

Q. What strength and special skills does Mr. [Kenneth] Adelman bring to his new post? What specifically do you expect him to accomplish?

A. First of all, he is smart; second, he works hard—he is full of energy; third, he knows a good bit about the subject; fourth, he is quite experienced in this area; and finally—I would say this particularly since he has been criticized on this score heavily—he is 36 years old. Now, some of my kids think that when you're 36 years old, you're a pretty old guy. But the point is this: Someone who is in his 30s is going to have to live with the results of whatever fruits we're able to get from arms control negotiations a lot longer than some of the older people who are criticizing him for being young. So I'm for him, and I think some of the 36-year-olds in our country ought to get a crack at this issue.

Q. During your recent visit to the People's Republic of China, was the textile quota dispute discussed in detail? And was an agreement reached to resume negotiations on it?

A. The textile negotiations which reached an impasse, as you perhaps all know, were discussed, although I did not go there to negotiate a textile agreement and made that clear. It is very important, as we have negotiations going

on a great variety of subjects all over the world, that we support the people we have put out there to do the negotiating, not to undercut them by trying to make a deal by the Secretary of State or some other intermediary who comes along. If you want the negotiator to be effective, you have to support him and back him up, and that's what we're doing.

U.S. positions in that negotiation are very reasonable, and we're ready to return to that bargaining table whenever they are ready. So, I think, certainly, the subject was discussed; I can't say that I made any particular headway about it, although it may be that as a result of the conversations we had, they understand a little more clearly what our position is, what some of the surrounding negotiations have brought forward, and why it is that we feel as strongly as we do about the positions we have taken.

Q. How low do you expect the price of oil to go before it stabilizes?

A. I don't have any idea, but I know that it's going down. And as I said to you, after due regard to the problems—and there will be some severe problems for some countries, some financial institutions, and for some companies—the overall result of a significant fall in the price of oil will be good for us. [Applause]

Q. Could we fight a conventional war with the Soviet Union and win anywhere in the world?

A. I don't like to think, talk about whether you win a war or not. Certainly, we want to equip ourselves so that we can defend our interests and help our friends and allies defend our interests.

I have spent quite a number of years working in a very fine company, and like all companies, you wind up with lawsuits and lawyers advising you on this, that, and the other. We would occasionally have our lawyer come in and pound the table and say, "By gosh, we can win this in court." We would say to him, "Look! We don't want to be in court." [Applause] I think the United States is strong; we're going to continue our strength, but we don't want to be in a war. We want to avoid war. [Applause]

Q. When you have facts, you argue the facts; when you have the law on your side, you argue the law. When you have neither, you pound on the table.

A. I didn't pound on the table. You see, I've got both. [Laughter]

Q. How much of a threat does Libya pose to peace in the Middle East? Did the Sixth Fleet play a pivotal role in the recent Sudan crisis? And how far is the nation prepared to go to contain Libyan terrorism?

A. Libya is a threat to peace and stability because it supports terrorism. Remember what country harbored the murderers in the Munich Olympics? They have supported assassinations. They have threatened their neighbors—Chad and the Sudan—there's no question about it. They say so. So, they are a problem. It behooves us all to watch them and to see to it that they know that we're watching, and that there is the strength and determination to see that they don't succeed in these efforts to destabilize their region and peoples' lives.

Now what the actions the President took may have had to do with their not being able to carry off their effort to destabilize Sudan, you'll have to ask them. I don't know. All I know is that there was very clear evidence of a plot; there was definite movement of Libyan armed forces. The President, to quote myself from last Sunday, "acted decisively, quickly, and effectively; and at least for now, Qaddafi is back in his box where he belongs." [Applause]

Q. Could you give us your view of the future relationship between the Soviet Union and the People's Republic of China?

A. That, of course, is something that they are working on, and I would hesitate to try to put forth some view about that. Many of the issues that trouble the People's Republic of China about the behavior of the Soviet Union are, for example, the Soviet invasion of Afghanistan and the Soviet support and instigation through Vietnam of the turmoil in Kampuchea; they bother the People's Republic of China, and they bother us.

If, through their negotiation, they can do something about those problems, I'm all for it. It bothers us that there are so many SS-20s in Asia. I wonder who those SS-20s are pointed at? It bothers us that the so-called proposal made by Mr. Andropov [Yuriy V. Andropov, General Secretary of the Communist Party of the Soviet Union] on arms reduction seemed to contemplate, to the extent you can read it at all, taking these mobile SS-20s and moving some of them from being a threat to Europe, to being a threat to Asia. That didn't

thrill our Asian friends at all; the Chinese can talk to them about that. That's fine with us.

We thought the Andropov proposal, if I may again revert to the kind of lingo we used to use when I was in the business world—if a business guy made you that kind of a proposition, you'd say he offered you the sleeves from his vest. [Laughter] So, as far as where their relationship may go, I don't know, but there are lots of difficult problems between them and between us and the Soviet Union. If the Chinese can resolve some of them, I'm for that.

Q. It has been reported that Ambassador [Soviet Ambassador to the United States Anatoliy F.] Dobrynin will be recalled to the Soviet Union. Is there any particular significance to that, in your view?

A. I've read rumors. I don't pay any attention to them. When there is a reality, then we'll deal with that as it comes. But I don't want to comment on what the future plans of the Soviet Union may be for Ambassador Dobrynin. He has been in Washington a long time; he is well known in Washington—a very effective ambassador.

Q. Given Mexico's dire economic predicament, what can the United States do to keep Mexicans from fleeing to the United States?

A. Part of the burden of my talk here today was to that point, namely, we want to do everything we can to restore the international economy to a healthy state, to a point where it is growing vigorously and where inflation, by and large, is under control. There are a lot of things that we are trying to do now, and must do, to make that happen.

I mentioned the IMF [International Monetary Fund] quota increase, on which we have agreed with other countries. This is designed to give the IMF, which I might say has outstanding leadership from a truly gifted international civil servant, a man named Jacques de Larosiere—more funds to use in helping debt-ridden countries that are having great difficulty with their balance-of-payments bridge over from the situation they are in to one where more disciplined programs will bring them out. I think we want to support that kind of an effort, efforts that will promote prosperity in the world.

Beyond that, of course, we have worked directly with Mexico to help resolve some of its problems during the last 3, 4, or 5 months. And I think Secretary [Donald T.] Regan, in the

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Treasury, and Paul [A.] Volcker, [Chairman of the Board of Governors] in the Federal Reserve, working with the IMF, have really done a brilliant job of it. But there are different problems, and as I said earlier, we have to look at them realistically and deal with them.

It is the case that all the programs having to do with debt rescheduling and rearrangements, and so forth, ultimately depend for their success on economic growth in the world. This is the underlying ingredient that we must have. I think that we can see some pretty good signs that it is coming.

First, The U.S. economy is starting its upward movement. In concept, as you look at it, as an economist, we have a very expensive policy in place. When you look at the statistics, the statistics are almost unambiguous that the beginning of growth is occurring.

Second, the fall in the price of oil, difficult though it may be for Mexico, will be a great stimulant to economic growth in the industrialized countries and for most of the developing countries, which are importers of oil, and which have been hurt badly by the increasing prices. So that is, basically, a very positive factor in the outlook.

Third, with growth in the U.S. economy and in the growth stimulated by a lower price for a key resource, we will see the other industrial economies pick up a little bit more than they might otherwise have done—Japan, a very important country, and the European countries.

Finally, if we keep our wits about us, the developing countries again can resume growth, and there is plenty of room for it and plenty of need for it, and plenty of drive to get it out there.

The key here, if this starts to take place, is to keep our markets open and to persuade others to do likewise so that the interactive effects of these developments can have their impact. It would be a terrible thing if, in the light of these positive things, the world turns inward, country by country, and insulates one country from another, and aborts the kind of prosperity that we can see. That is why, with all of the cries for protection, we pound the table and say, "Let us keep our markets open. Let us work on others to do the same," so that the interactive effects of these developments can take hold. It's that kind of expansion that is going to help Mexico, that is going to help us, that is going to help everybody!

Q. Would an expanded Bretton Woods conference help get some order back into the world economy?

A. Of course, a conference doesn't mean anything; it's what takes place and whether there are some ideas that somebody has that are concrete and operational and will really help.

I believe, to a certain extent, those kind of questions focused on currency relationships in the system which governs international exchange markets. I believe that there is too much volatility in exchange markets. We saw, for example, a situation involving the yen/dollar relationship, where it went from about 230 yen to the dollar, in mid-May last year, to 276, I think—a big depreciation of the value of the yen in the fall sometime—and by the end of the year was back to 230. In the process of doing that, it changed the relative cost of a Japanese and American piece of manufactured product tremendously, just to take that example, in a way that no amount of managerial improvement, or whatever, could account for. We had outstanding companies like Caterpillar Tractor priced out of third markets. That's a problem. I don't by any means suggest that the Japanese manipulated the yen. There is absolutely no evidence of that.

I think our dollar right now is feeling what we might call a "Switzerland" effect; that is, a lot of money is coming into the United States, to be sure, in part because of high interest rates here, although it's interesting that as interest rates decline, it still comes. So, it must be that there is a big "safe haven" effect. But in the meantime, of course, what that means is that the dollar is very, very strong. So, we feel that in our trade relationships.

This is a long way around to say that if the problem you're speaking of is volatility in the exchange markets, I've scratched my head about that, and I acknowledge it is a problem. If you asked me what to do about it, well, I've got an idea or two, but I wouldn't want to advance them in a serious international conference designed to solve the world's problems—at least not yet, until they're thought through some more.

Q. Back to Japan and China, do you foresee closer relationships growing between those two countries?

A. There is a close relationship, a working relationship, between Japan and China. They live right next door to each other; they have a lot to offer each other just as we have a lot to offer

mutually with China and with Japan, so, I would certainly expect to see that relationship grow.

Q. The Reagan Administration policy of constructive engagement in a friendly way with the Government of South Africa has come under recent criticism. Do you see this policy as useful in producing a real change in the apartheid policies of South Africa or in a successful conclusion to the negotiations for an independent Namibia?

A. I do. I think it is helpful to have a relationship and to work with the South Africans. That doesn't by any means condone the existence of an apartheid policy which is reprehensible and unacceptable. We have to be absolutely clear about that. However, there are important problems in the region. There is the possibility of some progress, and we should be on the side of that progress.

Furthermore, insofar as the emergence of an independent, self-governing Namibia is concerned, obviously, the attitudes and policies of South Africa will be an important ingredient in bringing that about. And if you're going to have some impact on what their policies are, you have to be able to talk to them. So we are trying to have ourselves in a position of talking to them, even though on the apartheid policy, we have no time at all for that policy.

Q. Does the United States also endeavor to get not only Israel but Syria to withdraw from Lebanon?

A. Of course. And people frequently say, "Why is it that you're spending all your time on the negotiations with Israel and not with Syria?" The answer is this: The Lebanese have talked to the Syrians; so have we and others, and the Syrians say that when the Israelis withdraw, they will withdraw. In order to call that card, we then have to go and say, "All right," to Israel, "What are the conditions under which you will withdraw?" In view of the history where southern Lebanon has been a base from which guerrilla war, in effect, was conducted on Israel, it's true and justifiable that Israel would be concerned about creating conditions in that part of Lebanon that will avoid having that threat exist again. We agree on that, and so do the Lebanese.

Having said that, though, it poses

The U.S. and East Asia: A Partnership for the Future

Address before the World Affairs Council in San Francisco on March 5, 1983.¹

Phil Habib's [Philip C. Habib, special representative of the President to the Middle East] magnificent work in the Middle East has made him almost a legend—and in his own time no less. We salute him for his tireless efforts and for what those efforts have achieved. But remember: In the course of his outstanding career, he has been involved in every part of the world. In East Asia and the Pacific, he served with distinction as ambassador and assistant secretary. The ambassador's residence in Seoul is known admiringly as "the house Habib built." Phil will agree and note ruefully that he never lived in it. I have just returned from a trip to Phil's old stomping ground convinced more than ever that if you want to understand the future, you must—like Phil—understand the Pacific region.

Understanding Asia and the Pacific

My recent trip to Northeast Asia, and 2 days of meetings with our chiefs of missions from all of the Asian Pacific area, underlined for me the importance of this vibrant area for the United States and for the world. The dynamism that I saw convinces me that, as important as the region is today, it will only be more important tomorrow. The people are smart, they learn, they work, they have resources. They have an important future, and we should be part of it. Nothing underscores the direct interest of the United States in this region more than two simple facts.

- We trade more today with the nations of the Asian Pacific than with any other region on Earth.

- We have fought three wars in the Pacific in the last 40 years. We do not want to fight another, and this is a reason why the United States will continue to maintain a presence there.

My trip left me with many strong impressions. Some features of the region—such as its economic and political progress—offer great hope.

Others—such as the poverty and injustice that can still be found and the menacing military postures of Vietnam, North Korea, and the Soviet Union—present all too familiar challenges. But all observers would agree that the region is less troubled than it was in the early 1970s.

The great majority of nations in the region have used the last decade well. They have developed a new self-confidence, and they have much to be self-confident about. It is a confidence born of economic success and of an emerging political maturity. Responsible leadership has come to the fore in Asia and the Pacific. The result is that our relations with most nations of the region are strong and getting stronger. If there is a symbol of the dramatic change that has marked the region in recent years, and of the benefits that such developments can bring to us all, it is perhaps China's emerging role as a constructive force. But this is only one of many important factors in the region's success and in the progress that has been made since earlier years of the post-World War II period.

The new success and maturity in Asia today provide a pattern for the future but, as well, valuable lessons for the present. Tonight, I would like to discuss four of these lessons.

First, there is a need for a global, not merely a regional, view.

Second, despite great diversity, a growing community of interests is apparent in the Pacific region.

Third, the extension of economic and political freedom is of essential importance to the region's future.

Fourth, the United States has both vital interests and a unique and critical role to play in the area.

The Need for a Global View

First and foremost, the trip reinforced what we all know: The fate of regions and nations around the world are intertwined. No one area of the world can pull up the drawbridge and ignore problems elsewhere.

many tough issues for negotiation about exactly how you bring that about, while at the same time being consistent with the idea of a free and sovereign Lebanon. It's not the easiest problem in the world, but it is being given very high attention, and I'm sure that before long, it will be resolved. Out of it, we will then have a program under which the Israeli forces will withdraw; and at that point, the Syrians will be confronted with that, and I expect them to withdraw as they have said they would. With them, I believe, will go the PLO [Palestine Liberation Organization] fighters that remain in Lebanon.

Q. How do you feel the United States could make more effective use of the United Nations?

A. I think the way to behave in the United Nations is to be realistic about what it is that our interests are, to speak up unceasingly about it, not have people make outrageous statements, and then just let it go, but get up and say what we object to and why. And when we get outrageous behavior such as the proposed vote on Puerto Rico, to work at it with our friends. Then we will see, as we did last year, that we got a very good vote. When the United Nations threatens to expel Israel, for no reason, to stand up and say, as we did last year, "If you expel Israel, good-bye. We'll leave and take our money with us." [Applause]

Having said that, I think, "Why should we care that much? I think the reason is that the United Nations can be, and has been under many circumstances, a constructive course for peace and stability. The United Nations has put peace-keeping forces in various critical situations. That is useful. It provides a place for dialogue and multilogue, and it has spun a number of, you might say, technical or professional organizations such as the World Health Organization or Relief and Rehabilitation [U.N. Relief and Rehabilitation Administration] that perform very useful purposes and which we should support. So, the way to get something out of the United Nations, our money's worth, you might say, is as one of the advertisements puts it, "the old fashioned way: to work at it," and that's what we're doing. [Applause]

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¹Press release 62A of Feb. 28, 1983. ■

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Thirty years ago, in his famous farewell address to Congress, General MacArthur said:

The issues are global and so interlocked that to consider the problems of one sector, oblivious to those of another, is but to court disaster for the whole.

While Asia is commonly referred to as the gateway to Europe, it is no less true that Europe is the gateway to Asia, and the broad influence of the one cannot fail to have its impact upon the other.

MacArthur's statement is today more true than ever.

- Decisions about nuclear missile deployments in Europe could have a major impact upon Asian security, a fact dramatized by proposals by the Soviet Union which would have the effect of shifting the Soviet intermediate-range missile threat from Europe to Asia.

- Decisions on trade and free markets in Asian lands influence the actions of legislators in Washington and governments worldwide. The world is watching Japan, in particular, to see if its markets will be more open to competition from abroad.

- The continued growth of Asian economies is an essential element of U.S. and European recovery, while improvement in those economies will send waves coursing across the Pacific.

- The sealanes and resources of the region are not only of strategic importance to the countries in the region, they are crucial to the defense of the Indian Ocean, East Africa, and the Middle East.

As East Asian and Pacific nations prosper, we hope to see them adopt an increasingly global view. Indeed, we already see encouraging steps in this direction.

- East Asian and Pacific nations, and most importantly Japan, have acknowledged their responsibilities for strengthening the General Agreement on Tariffs and Trade (GATT) and maintaining an open international trading system, as they see with growing clarity the threat of protectionism around the world.

- Even smaller Asian countries, such as Korea, see that they must consider modification of their own protectionist policies (local content legislation, for example) to help insure their own continued access to larger markets.

- On the security front, Australia, New Zealand, and Fiji have contributed peacekeeping forces for the Sinai.

- ASEAN [Association of South East Asian Nations] governments are playing an effective and constructive role in the Nonaligned Movement, the Islamic Conference, and other international fora.

- Japan has provided economic assistance to states in the Middle East and Caribbean.

- China, while not yet a wealthy nation, has proven itself among the most sophisticated, with a decidedly global approach to economic and security issues and a clear view of the importance of resisting Soviet aggression.

As the Pacific region gains strength and confidence, it will be increasingly aware of, and increasingly influential in, the global agenda.

A Growing Community of Interests

The second lesson about the Pacific region is that our policy must reflect the growing community of interests among nations there in preserving peace and promoting economic progress. There are no broad regional institutions like NATO and the European Communities (EC) to provide a framework for regional cooperation. The great differences and historical animosities that separate different countries probably preclude the establishment of such institutions for the immediate future. But, despite enormous diversity, the nations of the region are increasingly cooperating with one another. This new and encouraging pattern is driven by two factors:

- The immense stake that they have in continued economic growth and an open world economy and

No one area of the world can pull up the draw-bridge and ignore problems elsewhere.

- A clear-eyed perception of the military threat posed by the forces of the Soviet Union, Vietnam, and North Korea.

Economically, the area leads the world in economic growth. During the 1960s, Japan's annual rate of growth

averaged above 10%. Later, during the 1970s, Hong Kong, Taiwan, Singapore, and Korea all achieved average growth rates above 8%, while the Philippines, Thailand, Indonesia, and Malaysia posted average growth rates of from 6% to 8%—all above the average even for developing countries.

These economic achievements have given the nations of the Asian Pacific a new weight in the world. For example, the region now accounts for one-sixth of total world trade. These achievements are not accidental. They are the fruit of a commitment to hard work, a willingness to sacrifice immediate benefits for future growth, and generally sound policies of economic management. But Pacific region nations recognize that continued success is dependent on a healthy world economy.

Nations of the region are similarly aware of the keen threat to the region's security posed by the Soviet Union and its clients. A decade and a half ago, Soviet warships seldom ventured south into the Pacific. Now, the Soviets have their largest fleet in that ocean, backed by modern, long-range bombers. Soviet land forces in the region have also grown during that time, from 20 to more than 50 divisions. Most ominously of all, some 100 intermediate-range SS-20 missiles, each equipped with three warheads, threaten Asia.

With massive Soviet assistance, 180,000 Vietnamese troops occupy Kampuchea, use toxin and chemical weapons on innocent civilians, and threaten the peace and stability of Southeast Asia. The North Koreans, who spend 20% of their gross national product on their armed forces, threaten their southern neighbors with an armed force of over 700,000, one of the largest armies in the world. When you visit the DMZ [demilitarized zone] in Korea, as I did recently, the tension is palpable. You know what it means to confront real danger, as American soldiers and their South Korean allies do every day.

Nonetheless, common economic and security concerns are breaking down communication barriers, reducing historical animosities, and spurring the nations of the region to take responsible steps in their own interests. Let me give just a few examples.

- The Japanese Government has acknowledged its responsibility for maintaining an open world economy and is

opening its own markets for freer trade. The new prime minister's attitude toward this effort is refreshingly operational, recognizing that procedures for, say, licensing, inspection, and registration are as important as policy pronouncements. In addition, Japan has affirmed its commitment to undertake broader responsibilities for its own defense, appropriate to its abilities and its constitutional requirements.

- Prime Minister Nakasone's recent visit to Seoul, and Japan's sizable foreign assistance to Korea, have put the important Japanese-Korean relationship on a new and stronger footing.

- The ASEAN states have put behind them many of their differences. They are working effectively together to resist Vietnamese aggression and to mobilize international support for a peaceful outcome in Kampuchea.

- Thailand, Malaysia, Indonesia, the Philippines, Australia, Hong Kong, Japan, and China have all played major roles in handling the massive exodus of Indochinese refugees.

- The new Pacific island states are building both regional and national institutions simultaneously, with the help of their neighbors in Australia and New Zealand.

- The Republic of Korea has initiated a productive dialogue with states in the region.

- And China has begun to seek closer cooperation with a number of its neighbors and to play a constructive regional role, especially in its efforts to combat Vietnam's aggression in Kampuchea and elsewhere.

Clearly, there is more that can be done and more that we would like to see done. We will continue to urge Japan to assume a greater share of the burden of its own defense and to open its own market to the free competition that Japanese products enjoy in the United States.

But both we and Japan must also look beyond these bilateral concerns to our shared responsibilities. As President Reagan recently said, "... no two nations are more mutually dependent than the United States and Japan ... Our partnership is so essential, we have a strong obligation to our own peoples, to each other, to insure its continued vitality."

As Japan's weight has grown, so too have its responsibilities. Decisions on trade issues, bank credit to developing countries in Asia and Latin America, and official economic assistance must reflect Japan's global interests. If we are

patient, as well as persistent, we can do more than just maintain the remarkable post-World War II record of Japanese-American cooperation. We can build on it and make it an increasingly important part of our future.

China's new, more constructive, though guarded, role is welcome, and a closer relationship with China will benefit the people of both our countries. However, frustrations and problems in our relationship are inevitable. They will arise not only out of differences concerning Taiwan but out of the differences between our systems. We believe that these problems can be managed and that the community of interests that promises further progress is real. Our relationship with China has brought tangible results and can be a potent force for stability in the future of the region. As President Reagan has said, "Our relationship with the People's Republic of China is important not only for stability and peace in Asia but around the globe ... Despite our differences, it is clear that both sides value this relationship and are committed to improve it."

Progress in U.S.-China relations need not come at the expense of relations with our other friends in the region, including our close unofficial relationship with the people of Taiwan. To the contrary, it can contribute to the peace and economic progress of the entire region. The key to managing our differences over Taiwan lies in observing the commitments made in our three joint communiques and allowing the parties themselves to resolve their differences peacefully with the passage of time. To improve our relations we must both work to reduce impediments to expanding trade in technology, as well as other economic relations, consistent with our long-term security needs. We must also seek to resolve any misunderstanding or dispute through consultations and negotiations rather than by unilateral action.

In so doing, we work to build a long-term, enduring, and constructive relationship on a basis of mutual confidence. As I made clear in Beijing, Chinese leaders will find the United States ready to join with them on that basis in pursuing our common interests in peace and modernization. We value Sino-American relations and want them to advance.

Importance of Economic and Political Freedom

The third lesson is the importance of economic and political freedom for the region's progress and security. Our bilateral relations are on their most solid footing with those countries that share our commitment to democratic values. We believe that democratic nations are more likely to follow the just and sensible policies that will best serve the future of the region and the globe.

The Pacific region's economic growth has shown the efficiency of a free-market system. The progress of the ASEAN states, South Korea, Hong Kong, and Taiwan has become a model of successful development for the Third World.

Political progress is more difficult to gauge than economic change. And usually it seems to move at a slower and less even pace than we would all desire. But a long-range perspective of free-market nations in East Asia and the Pacific clearly reveals, I believe, a trend toward the growth of democratic institutional arrangements for economic and political conduct.

Japan is the most obvious example, but younger nations are moving in a similar direction. Indonesia last year added to an increasingly long record of regularly held elections. And Malaysia has accomplished that most difficult task: peaceful changes of leadership through an electoral process. The new Pacific nations have laid strong foundations for popular participation in government. The Republic of Korea, despite continuing intense pressure from the north that creates severe internal pressures as well, has taken additional welcome steps recently toward liberalization and toward an eventual constitutional transition of power in 1987.

The extension of democratic processes and institutions and the respect of human rights in general are integral elements to the achievement of lasting progress and legitimacy. Abuses of human rights undermine the progress, legitimacy, and even the stability of governments, thereby vitiating other gains.

In the end, economic and political freedom, both important in their own right, are closely intertwined with security concerns. For economic and political progress provides the resources for defense and, at once, reduces the risks of internal chaos and the opportunities for external aggression. As

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President Reagan has said, "economic freedom is the world's mightiest engine for abundance and social justice."

The Unique U.S. Role

The fourth and final lesson is that our role in the region is unique. We are the one nation of the region with both a worldwide view and the capacity to implement a worldwide policy. As a great power, we have great responsibilities. We have borne them well, and we must continue to do so.

It is necessary and proper that we encourage those countries that share the benefits of a peaceful and prosperous world order to assume greater responsibilities for maintaining it. We will not ask how we can perform that task by ourselves or how we can get others to do it for us, but how we can combine our strength with those who share our commitment to peace and economic progress. Fortunately, in the Pacific region there are many who share those interests, and their strength is growing.

Our goal in asking others to increase their efforts is to gain added strength together, not to decrease our own efforts. The United States will remain a Pacific power. Although specific tasks may change, our overall responsibilities will not be diminished in importance nor shifted to others. This is particularly true of our security relationships with our friends and allies in the area.

- Our treaty commitments—particularly to the front-line states of Korea and Thailand—are essential to give our partners the self-confidence necessary to face potential threats.

- These commitments and our alliances with Japan, with Australia and New Zealand, with the Philippines, and others provide a security framework and coordinating element in a region where broader alliance arrangements are not feasible.

- And because our influence is so broadly felt throughout the region, the way we handle each of our bilateral relationships affects the interests of many others. As we seek, for example, to build a stronger relationship with China and to manage the differences between us, we must remember that the interests of many other friends in the region may be affected as well.

- In Asia, as in the rest of the world, there remain threats that only the United States can meet. If we do not play our role, the shadow cast by Soviet military power will threaten the region's hopes for progress.

In playing that security role in the world, we intend to be attentive to Asian interests. That specifically includes our approach to the Geneva negotiations with the Soviet Union on intermediate-range nuclear missiles. As President Reagan recently said, "Soviet proposals which have the effect merely of shifting the threat from Europe to Asia cannot be considered reasonable. Security in this sense is—and will remain—indivisible."

In the years since the Vietnam war ended, we have made great progress in overcoming the inevitable doubts that arose in the region about the will and

Our goal in asking others to increase their efforts is to gain added strength together, not to decrease our own efforts.

capability of the United States to fulfill its important role in Asia. President Reagan's strong efforts to continue that progress have increased the credibility of our role in Asia and, in the process, increased the self-confidence of our friends in the area as well.

Conclusion

If it is true that much of the future will be shaped in Asia, then our policies toward this region are of special importance. The record of the nations of the Asian Pacific in recent years is encouraging too. Not that the region is free of problems—far from it. But most of the nations of the region—despite enormous differences of every kind—share a realistic and confident approach toward solving problems. And a dynamic community of economic, political, and security interests has begun to take shape.

- Most nations of the area have faced—and many still face—immense problems of poverty and dislocation. But these problems are being addressed with imagination, with self-reliance, and with remarkable success.

- The countries of the region face great threats from the Soviet Union, Vietnam, and North Korea. But they are meeting these threats with realism and with a determination not to be intimidated.

- Great national and cultural differences, deepened by historical antagonisms, place obstacles in the way of cooperation among nations of the region. But increasingly these nations are recognizing the overriding importance of working together in the interest of peace and economic progress.

We Americans recognize—and welcome—this progress. Our Asian Pacific partners are developing rewarding relationships not only with us but with each other. They also are joining with us in cooperative efforts that extend beyond the Pacific region and increasingly bring their positive influence into the world at large. These steps are the basis for a global role that will fit the region's growing strength and responsibilities. We Americans are determined to join in these steps to further our community of interests. The results will have much to say about the future—for us and for others throughout the world.

¹Press release 68 of Mar. 7, 1983. ■

Question-and-Answer Session Following San Francisco Address

Following is the question-and-answer session Secretary Shultz held with the audience at the conclusion of his address before the World Affairs Council in San Francisco on March 5, 1983.¹

Q. Would you comment upon the talks that began in the fall of 1982 between the People's Republic of China and the Soviet Union, and their effect, if any, on Sino-American relationships?

A. There are quite a number of issues that the Chinese and the Soviet Union have to discuss. Some of them involve problems in which we have as strong an interest and stake as do the Chinese.

The Chinese believe, and we believe, that the Russians should get their satellite, Vietnam, out of Kampuchea, and that we should have an independent, democratic Kampuchea. If they can make some headway on that with the Soviet Union, I'm all for it.

The Chinese believe, and we believe, that there is no excuse for the Soviet invasion of Afghanistan. The Soviets should leave Afghanistan. If they can make some progress in that, we're all for it.

In other words, there are things that we share in our concern about Soviet behavior, and we wish the Chinese luck in trying to do something about it.

It is, nevertheless, true that the Chinese have to remember, as other Asian countries do and we do, that those SS-20s are pointed at Asia.

Q. Your comment in China regarding the problems which American businessmen were experiencing was atypically caustic. Why shouldn't the State Department help American business?

A. The American businessmen that I laid into in Beijing had it coming to them. They had it coming to them because there I was negotiating on their behalf—I'm on your side, remember—about a whole range of extremely delicate and difficult issues. Everybody knows that everything that is said in a hotel room privately is listened to and is fed right back into the kind of negotiations that I'm having. So after awhile, having the Chinese position thrown at me, I began to wonder who was on whose side. I knew pretty well what side I was on, so I gave them a piece of my

mind, and I don't apologize for it. [Applause]

Q. In Cambodia there is and has been genocide taking place. How are we exerting our influence to end it?

A. It's interesting that you say Cambodia. It's hard to know what to call that poor country; some people say Kampuchea. It took me a while to catch up with that. We are exerting our influence to get Vietnam out of there by supporting countries in the region in all the effective ways that we can think of.

We are helping the ASEAN [Association of South East Asian Nations], countries which have taken a lead. We work with the Chinese, the People's Republic of China. We provide humanitarian help to those in need. There has been a tremendous exodus of refugees, as we all know. We've done our part in that. We have worked at the United Nations where Vietnam is totally isolated, and the Soviet Union isolated, on this issue. So we have worked with people in the region, and our approach has been to support their effort—they live there—and to make it clear on a world basis not only the wrongness of that invasion but the horrors that are taking place in that country. It makes you wonder about all the people who thought North Vietnam was such a wonderful country. [Applause]

Q. Are the Philippine bases in jeopardy because of political instability in the Philippines?

A. No. The Philippine bases are very important to us and to the Philippines. We have periodically and are now in the midst of base negotiations, and we believe that the Government of the Philippines is quite able to negotiate and carry through agreements with us.

Q. What are the chances of a nuclear arms reduction agreement with Russia on something other than the zero-option plan?

A. Are you trying to ask me whether we're going to change our position? [Laughter]

I don't know what the chances are. I know what we will do. We will take reasonable positions. We believe that the positions of eliminating a whole class of these destabilizing and lethal weapons from the globe is the right position; it's the moral position; it's the position that we can all be proud of.

The President has also said from the first speech he made on the subject that we recognize we're in a negotiation. Our position is not take-it-or-leave-it. We're flexible. We're willing to listen. But we think that the position the United States has taken on behalf of our allies, as well as ourselves, is a wonderful position to support.

Whether the Soviet Union would ever agree to the deployment of U.S. weapons replacing those that are there now, I don't know. But we will be there at the negotiating table, we will be reasonable, and in the meantime, we must be realistic about what is going on in the world and in the Soviet Union. We must maintain our basic strength so that we are able to continue as we can now to defend our interests around the world, and to help our allies defend theirs. [Applause]

Q. Yesterday President Reagan assured the American people that El Salvador would not become another Vietnam. It's difficult to deny, however, that the building tension and fighting there are reminiscent of the early days of Vietnam. How are we today better prepared to accurately assess the conflict in El Salvador?

A. Of course, we are constantly assessing what is taking place, and in recent days we have been especially working hard at that and consulting with the Congress. The President met with the bipartisan leadership last Tuesday and undoubtedly will be meeting again in the coming week to hear their views and to give ours.

I think it's important to recognize several things. First of all, there are many, many differences between the El Salvador situation and Vietnam. One of them is that El Salvador is nearby. It is part of an area of the region of the world that is literally connected geographically to us.

It is not a pleasant thing to contemplate that the Soviet Union might increase its influence from Cuba, Nicaragua, Grenada—where it now holds sway—to additional countries in Central America. So that's something we have to remember about the direct security interests of the United States.

But I think also we must remind ourselves that the program that the people of El Salvador, and the Government of El Salvador, have in place and are trying to implement and which we are trying to help them implement, has got several strands to it.

The first, of course, is to try to do everything we can to help those people

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develop themselves economically. We have provided aid. We have provided encouragement for the development of economic capacity there. We have supported the land reform program, which has just been extended for another 10 months, and it's quite possible that it might be completed in that time.

We have sought to support the development of democratic government in El Salvador. We have supported a diplomatic initiative in the region which was taken in the first instance in San Jose as the democratic countries of the region came together and laid down a diplomatic program calling for the elimination of offensive weapons from the region, the cessation of the shipment of arms from one country to another on a verifiable basis, the removal of all foreign advisers of a military sort, and efforts toward reconciliation and amnesty in the region; all of this in the interests of trying to bring about peace. So I think those are all very strong and important efforts that are being made.

It must also be apparent to everyone that if you have a foreign-supplied, reasonably sizable guerrilla movement blowing up bridges—55 bridges—blowing up power plants, disrupting the infrastructure, it's very hard to imagine that you attain that threshold of security necessary for economic development to take place for people to serve their own interests and to be able to achieve a stable and decent life.

I think it's pretty apparent that the same people who tried desperately to stop an election about a year ago—threatened people to keep them away from the polls but nevertheless 80% of the people turned out to vote—are now trying to shoot their way into the government. I think the answer to that should be “no dice.”

But we need to continue to support the efforts of the people not only in El Salvador but Honduras, Costa Rica, and throughout the Caribbean region in their effort to develop democratic institutions, to serve their own economic interests and development, and to resist efforts to destabilize them through the shipment of arms to guerrillas who are out to unseat those governments.

There is a great deal of discussion about military aid and should it be increased. That's not really the question. The numbers are as follows. Last year the United States helped the Salvadoran Government to the tune of \$80 million of military aid. In this fiscal year, which began October 1, through a curious

Washington program known as a continuing resolution, we have managed \$25 million.

You can take 25 as a proportion of 80 and compare it with 5 months out of 12, and you can see the kind of support that we are giving. It's not adequate. I believe very strongly that in our own security interests and in the interests of having in our neighborhood democratic governments in societies where people have a chance to develop themselves and achieve economic gains for themselves that we simply must continue to support the people who are on our side and resist those who are against us. [Applause]

Q. How will the outcome of the West German elections affect our policy toward that country, especially if the Social Democrats come out on top?

A. One of the things I've learned from Phil Habib [special representative of the President to the Middle East] and others is never comment on the internal political arrangements of another country. That is up to them to determine, and we will work with the government that the German people put there, and I believe we'll be able to work successfully with it. [Applause]

Q. Why should the United States support the IMF [International Monetary Fund] quota increase?

A. The IMF quota increase amounts to a commitment on the part of the United States to exchange assets for assets; that is, money that we put in, like a loan, and we get an asset back to the tune of \$5.8 million.

In addition, the Treasury, working with the 10 principal industrial countries—known as the Group of 10—has worked out an increase in the scope of what are called the general arrangements to borrow amounting, I think, to \$2.8 billion.

What is this money for? It is for the purpose of helping to keep the international financial system on an even keel. I believe this can be done without our losing money, and if we don't do it, we expose ourselves and all of the trading nations to a tremendous exposure of financial mishaps that could well be avoided.

I think it is especially important to do this and do it properly right now because, as it happens, with all of the economic troubles of the world, I think we are right now at a point where there's a good chance that we can see a kind of interacting expansion in the

world economy. And we don't want to see it aborted by the failure to do things that we can do and that we should do.

I think it's clear, number one, that the economy of the United States is starting an expansion, one that I believe will be considerably more vigorous than was forecasted in the President's economic report issued about a month or so ago.

Second, fully recognizing the problems for some that a fall in the price of crude oil may bring, I think that a sharp decline in the price of crude oil is basically very good news for most of us, and it will have a positive effect on economic growth in our country and in most other countries. So that's the second thing, and I think that in turn will tend to have the other industrial countries' economies expand a little more than otherwise. Under those circumstances, perhaps the Third World—the developing countries—will once again be able to pick up the very snappy pace of growth that they have sustained.

If those things happen, and if we have the wit to avoid the pressures of protection which are fierce in this country and around the world—but if we can avoid that so that these developments can interact with each other, then we can see the kind of expansion in the world economy that will enable people in the end to pay their debts.

So you ask about the IMF quota increase. It is connected with all this by way of putting the IMF—which, after all, we're a big part of and which I might say has superb leadership from a Frenchman named Jacques de Larosiere—enabling the IMF to do its job of keeping stability in the international financial house. I think it is very, very much to our advantage.

I have testified quite a bit on this, and I find that people are terribly concerned that if this is done, there may be some bankers who made bad loans, and they won't pay a big enough penalty for that misjudgment.

I believe that people who make bad judgments ought to pay a penalty for it, but I'm certainly not ready to say that I would rather have the world go to hell for the sake of seeing a few bankers suffer. [Laughter] Frankly, I would be willing to let some people get away with a little bit in order to have this economic expansion that we need, we can have, and I believe we will have if we keep our wits about us properly. [Applause]

¹Press release 68A of Mar. 7, 1983. ■

Strengthening Democracy in Central America

Statement before the Subcommittee on Foreign Operations of the Senate Appropriations Committee on March 22, 1983.¹

On March 10, the President described very clearly the national security stake we have in Central America and the Caribbean. Many factors are involved, and the remedies are complex, but the basic issues are relatively simple: Central America is in transition, trying to resolve the tensions of the past by developing democratic institutions and workable reforms. Violent, antidemocratic minorities with close military and ideological ties to Cuba and the Soviet Union are attempting to disrupt this effort and seize power by force of arms. Central America is too close and of too much strategic importance for us to stand idly by while that happens. Our security is at stake, and our most basic principles are being tested.

It is not surprising that our consultations with a wide spectrum of the Congress over the last 3 weeks have convinced the President and all of us that a bipartisan consensus on goals does, in fact, exist. No one wants to see communist guerrillas take power in El Salvador. No one wants to see a second or third or fourth Nicaragua in Central America. We are unanimous in wanting the outcome of the crisis in the region to be peaceful and democratic.

So I would like to focus today on the means to achieve these common objectives. I would like to review our regional strategy and explain why we believe the political strategy the President set forth in his March 10 speech can help end the war and produce a democratic outcome in El Salvador. I will then discuss the resources we need to make it work.

Our Regional Strategy

Our strategy proceeds from an analysis that recognizes, in fact emphasizes, that there are legitimate social, economic, and political grievances in many parts of the region. For example, many of El Salvador's problems stem directly from failings of past Salvadoran governments—failings that often go back decades but which must be addressed now.

The second critical factor is the decision by Cuba with Soviet-bloc support to organize and arm guerrilla forces under Marxist-Leninist control. This tactic—and its fruits—are evident in Nicaragua, which since 1979 has become a base for the export of violence to its neighbors. Almost immediately after the Sandinista takeover in Nicaragua, El Salvador became a target, with the expectation that communist bloc training and supplies would bring a quick military victory to Cuban-backed extremists.

Our conclusion is that we face two related challenges: to help alleviate longstanding political, economic, and social problems; and to help counter a communist strategy which seeks to aggravate and exploit these problems and so to seize power by force of arms.

The strategy we have developed is comprehensive and regional. Much of it has been elaborated in consultation with the region's democracies. It consists of six mutually reinforcing elements. Each is necessary to ensure the success of the whole.

The first and critical component is **support for democracy, reform, and the protection of human rights**.

Violence feeds on the failure of local institutions to provide responsive government, justice under law, or means to achieve peaceful social and economic change. We know that democratic governments are far less likely to abuse their citizens than dictatorial regimes whether of the right or left. And we know that democracy cannot flourish in the presence of extreme inequalities in access to land, opportunity, or justice. We cannot hope to succeed unless we address these first-order concerns.

The second element is **support for economic development**. Underdevelopment, recession, and, in the case of El Salvador, the guerrillas' "prolonged war" against jobs, transport, and crops create human hardship and misery that are being exploited by the enemies of democracy. Three-quarters of the resources in support of our Central American policy go to economic assistance.

The third element is **support for the security of the nations of the region**. We must provide El Salvador and our other friends struggling for democracy

enough military training and assistance to protect against the military power of the guerrillas so that nonmilitary solutions can be found. Security assistance is not an end in itself but a shield for the region's democratization and development.

The fourth element is to give the area **hope in the future**. That is why our economic efforts go beyond the traditional forms of assistance: the President's Caribbean Basin Initiative proposes unique long-term incentives to spur the sustained economic growth these countries have demonstrated in the past they are capable of achieving.

The fifth element is to **deter the Sandinista attempt to promote a "revolution without frontiers."** We are providing essential economic and security support to Costa Rica and Honduras. And together with other democratic countries of the region, we are working to persuade the Sandinistas that they should come to the bargaining table ready to come to terms with their own society and their neighbors.

The sixth element is **support for peaceful solutions**. Internal reconciliation—through democratic elections, guarantees of personal security, and amnesty—can be an alternative to violence and the consequences of violence for all concerned. Similarly, regional agreements can strengthen democracy and reduce sources of conflict and militarization.

All six of these elements must be applied and sustained for the strategy to succeed. No amount of reform alone can bring peace so long as the guerrillas expect and seek military victory. No amount of economic assistance alone can suffice if the guerrillas can destroy basic infrastructures again and again with impunity. And even sustained government military superiority alone will not bring sustained peace in the absence of more freedom and of better opportunities for social and economic development.

Situation in El Salvador

Let me turn now to El Salvador. How is our strategy working there?

First, respect for human rights has grown slowly, but steadily. Political

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violence against noncombatants is a serious problem but is down markedly since our assistance began 3 years ago. Military operations have resulted in the capture of prisoners. The treatment of individuals in prison for security reasons has improved—international access to detained individuals is regular and prison facilities are cleaner and better administered. Even so, the criminal justice system remains a major concern, one I will examine in greater detail in a moment.

Second, in 3 short years and despite determined guerrilla opposition, El Salvador's Government has redistributed more than 20% of all arable land. Some 450,000 people—about 1 Salvadoran in every 10—have benefited directly. Strong peasant organizations have emerged. An AID-financed [Agency for International Development] study by independent consultants visiting El Salvador reported that: "Members of the team . . . were under the impression that the conservative coalition that won the March 1982 election had attempted to annul the reforms. During 2 months of field work, however, we discovered that reforms were still very much alive." The recent extension of land reform legislation confirms this judgment. The distributive aspects of the reform, if continued at the present pace, can be completed this year.

Third, the general economic situation is poor. In the last 4 years, the Salvadoran economy has contracted by 25%. Overall unemployment is in the neighborhood of 40%. Imports of medicines and food have been hampered. To maintain even zero growth in real terms, El Salvador needs substantial assistance to import materials, intermediate goods, and essential agricultural inputs for which it lacks foreign exchange.

Part of the problem is that the international recession has depressed commodity and agricultural markets on which El Salvador depends for foreign exchange. But the more serious weak point is that since the failure of their 1981 "final offensive," the guerrillas have moved against the economic infrastructure. They have destroyed 55 of the country's 260 bridges and damaged many more. The national water authority is carrying out 112 reconstruction

projects to restore facilities damaged by guerrilla action. Two hundred forty-nine separate attacks have caused millions of dollars of damages to the telephone system. Electrical systems have suffered over 5,000 power interruptions in a 22-month period ending last November—an average of almost eight a day. The eastern region was blacked out for over a third of the year in both 1981 and 1982. Thirteen crop-dusting planes have been destroyed or damaged since last October. Over 200 buses were destroyed in 1982 alone. Less than half the rolling stock of the railways remains operational.

In short, guerrilla sabotage is depriving the people of El Salvador of food, water, transportation, light, sanitation, and work.

It cannot be stressed enough that this guerrilla campaign of "rule or ruin" is contrary to the will of the overwhelming majority of Salvadorans. The Archbishop of El Salvador put it this way on March 18: "The population wants there to be peace. I do not see that the guerrillas, who have progressed militarily and in experience, have popular support . . . There have been about four or five offensives and who knows how many more to come. But the people want [peace]."

This brings me to a **fourth** point. The military situation is not desperate but could become so if we fail to help. The Salvadoran Armed Forces face the difficult task of fighting mobile and well-trained enemy units supported from the outside, while also protecting static targets and population and production centers. Ten days ago, we had to provide an emergency airlift of critically needed small arms ammunition. The Salvadoran soldier, when well-trained and well-led, is capable; guerrilla operations have for the most part been localized to certain areas of the country, and the government forces we have trained are performing effectively. The three U.S.-trained units conduct themselves professionally both on the battlefield and in their relations with noncombatant populations. But only 10% at most of the Salvadoran Armed Forces have received our training.

Fifth, democracy and reconciliation have made major advances this past year. The Constituent Assembly has engaged a wide and diverse political spectrum, from ARENA [National Republican Alliance] on the right to

Christian Democracy on the left. It has not been easy for often bitter political rivals to deal with each other in a parliamentary forum with the outside world watching skeptically. But gradually they are coming to listen to each other, moderate, compromise, accommodate. In addition to working on a new constitution, the Assembly has reached agreement on a Government of National Unity guided by the multiparty pact of Apameca and proceeded seriously with land reform including the vital land-to-the-tiller program.

As envisioned in the pact of Apameca, the Salvadoran Government has designated three high-level commissions—on the political process, on human rights, and on peace. The Peace Commission is specifically charged with developing measures of national reconciliation. Its members include a Catholic bishop and two civilians—one a representative of the political parties, the other a former foreign minister. On March 17, this independent commission formally proposed legislation providing for a general amnesty.

It is this atmosphere—the yearning for peace, the viability of El Salvador's new democratic institutions, and what Archbishop Rivera has called "a desire for understanding more than revenge"—that gives impetus to the decision to hold presidential elections this year—a decision greeted with hope and approval by all, including His Holiness Pope John Paul II, when it was announced.

In sum, despite continued human rights problems and troubled economic and security conditions, particularly outside major population centers, heartening progress has been made in political, economic, and social reform. Essential groundwork has been laid for progress in national reconciliation.

Resource Needs and Objectives

Economic assistance is vitally needed to permit the purchase of essential imports and to help restore basic services and infrastructure disrupted by the guerrillas. It is needed to strengthen the agrarian reform and to help finance labor-intensive reconstruction that will provide work to those deprived of it by guerrilla sabotage. It is needed to help the private sector, now cut off from capital markets, regain access to credit for critical imports.

To accomplish these objectives, we are planning to provide El Salvador some \$227 million in FY 1983 economic assistance, including economic support funds (ESF), development assistance, and PL 480 commodity financing. This includes \$67.1 million the President has proposed to reallocate for El Salvador from current funds. This additional assistance—for which no new appropriations are being sought—will be heavily committed to public services, medical needs, and food imports. A major component will support a comprehensive new program of services and reconstruction in two parts of the country most critically affected by the guerrilla war.

To continue building the kind of disciplined, skilled armed forces that can take and hold the initiative while respecting the rights of its people, we submitted to Congress on March 10 a notification of our intent to reprogram \$60 million in foreign military sales (FMS) loan guarantees to El Salvador. We are also planning to reallocate to El Salvador \$50 million in grant military assistance program (MAP) funds from our January supplemental request. As with economic assistance, none of this increase will involve funds other than those previously requested.

We are not planning to send El Salvador advanced heavy weapons like the Soviet tanks acquired by Nicaragua. Nor have we any intention of Americanizing the fighting by introducing U.S. combat advisers. Rather our emphasis is on greatly expanded training for Salvadoran soldiers, with all or most of the additional training taking place outside El Salvador if funds permit. The funds we have requested would enable us to train some 50% of El Salvador's main fighting units—compared to 10% until now. They would also help El Salvador's Armed Forces to increase force mobility with additional helicopters, small naval craft, and trucks and to acquire necessary munitions and spare parts. Some of this military assistance will also be used for engineering equipment and medical supplies to provide relief for the people suffering from the effects of the guerrilla war.

Time is important to this objective. The more quickly we help these armed forces become more effective and responsible instruments of El Salvador's national policy, the sooner their shield will be available to protect the emerging democracy and developing economy we

all seek. To quote Senator Jackson, "if you're going to have the ballot box free and open, there must be a shield behind which the people can participate."

Let me return here to one problem that is not primarily a question of resources—the deeply troubling ineffectiveness of El Salvador's system of criminal justice. It is true that this stems directly from the larger problem of violence. But it is equally true that efforts to protect human rights and instill respect for the law are gravely hampered if the courts are unable to bring cases to a timely and impartial conclusion.

The Salvadoran Peace Commission and Human Rights Commission together have a mandate to review all laws and procedures governing political crimes and to make recommendations for improving the judicial system as a whole. Some problems may be subject to relatively prompt action; for example, increasing security for judges and other court officials or transferring jurisdiction over military offenders to military courts. Other problems, such as reviewing rules of evidence and substantive criminal law or upgrading case management, investigative techniques, and judicial administration will by their very nature take longer.

We have been asked for help in this delicate area and want to be of assistance. However, because El Salvador's judicial system is quite different from our own, specific recommendations will require more detailed knowledge and cooperative programs than we have now. We are working on both. And we hope that Latin American democracies, like Costa Rica and Venezuela whose legal systems are closer to that of El Salvador, will also help.

Negotiations

The President has emphasized our support for negotiations aimed at "expanding participation in democratic institutions—at getting all parties to participate in free, nonviolent elections." We will not support negotiations that short-circuit the democratic process and carve up power behind the people's back.

We will support negotiations to help provide guarantees of electoral fairness and protection for voters and candidates of all persuasions.

For 18 months, the Government of El Salvador has been attempting to open democratic political processes to all political forces including the Marxist ones. The Peace Commission has the specific mandate to help incorporate all social and political groups in the elections this year. The President of the Constituent Assembly has called for the main political unit of the guerrillas, the Frente Democratico Revolucionario (FDR), to take part in the election.

As the President indicated, we are willing to help. Surely there will be interest in measures which would guarantee the personal security of candidates and their supporters, in the provision of observers to encourage fairness and discourage coercion or intimidation, and in specific ways to ensure access to media, an accurate tally, and—ultimately—respect for the results.

We will be making proposals to the Salvadorans on how we, the Organization of American States, and other concerned countries can help to achieve each of these objectives. We are fully committed to this course.

We also support negotiations among countries, as the President has said, "to strengthen democracy, to halt subversion, to stop the flow of arms, to respect borders, and to remove all the foreign military advisers—the Soviets, Cubans, East Germans, PLO [Palestine Liberation Organization], as well as our own—from the region." Eight democratic countries of the region, meeting in San Jose, Costa Rica, in October 1982 called on Nicaragua to join them in pledging an end to cross-border support of guerrilla violence, a freeze on the growth of military arsenals, and freedom of action for peaceful democratic groups. Nicaragua refused to discuss these principles. The San Jose proposals, if accepted, would reduce East-West tensions in Central America and contribute to a regional political solution.

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Discussion now centers on the possibility of a meeting of Foreign Ministers of the five Central American countries—Costa Rica, El Salvador, Honduras, Nicaragua, and Guatemala—observed by the Foreign Ministers of five other countries within the region—Colombia, the Dominican Republic, Mexico, Panama, and Venezuela. This is what the President referred to in saying that a regional peace initiative is emerging. Nicaragua would be engaged in the process. Its good faith, or lack of it, will be tested.

Regional Development and Security

Pending a peaceful solution, we must also seek to bolster Honduras and Costa Rica, two democracies with troubled economies where major externally directed terrorist incidents have occurred. These nations—on the borders of Nicaragua—feel most strongly the growing threat of Nicaraguan military power, which is fortified by some 2,000 Cuban and Soviet-bloc military advisers.

Both Honduras and Costa Rica have democratic systems. Yet they too are prey to self-proclaimed Marxist "liberators" who despise democracy and attack reform. By strengthening these democracies and by helping them to pass through difficult economic times, we can help both countries to provide stability and hope even in the midst of regional crisis.

We, therefore, plan to provide an additional \$101 million in economic assistance in FY 1983 for Honduras, Costa Rica, and Belize. With the critical \$67.1 million in additional economic assistance for El Salvador, this is a regionwide economic assistance increase of \$168 million, of which \$65 million has been added to our January supplemental request. With respect to military assistance, we are increasing our January supplemental request for MAP funding by \$20 million, mainly for Honduras, with some assistance for Costa Rica and the Panama Canal area schools. Thus, as called for by the President, total additional military assistance for Central America, including El Salvador, will be \$130 million in FY 1983.

Conclusion

Let me conclude with a final observation. The President eloquently set forth the reasons why the outcome of the current conflict in Central America is important to our national security. I would like to suggest an additional reason. Our communist adversaries the world over depict the United States as a reactionary, *status quo* power standing in the way of legitimate aspirations for change. Their propaganda dismisses the relevance of political democracy to the problems of the developing world and asserts that we seek weak, unstable neighbors that we can dominate and exploit.

These assertions are lies. We are, in fact, allied with progressive forces working for economic development, reform, and democracy. We seek not weak, exploitable neighbors but ones that are strong, secure, and independent. Nor is democracy irrelevant to the problems faced by the developing nations. Democracy, not communism, is the best way to deal with their problems. That is what the struggle in Central America is all about.

¹Press release 80. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

American Principles and Foreign Policy

Following is a speech by Secretary Shultz and a question-and-answer session at the Conservative Political Action Conference on February 18, 1983.¹

SECRETARY SHULTZ

Thank you very much. I appreciate your introduction and especially the job history. Insofar as my business career is concerned, I do have some advice to you, and it's pretty unambiguous as to how to get ahead, and that is, start at the top. [Laughter]

As you can see, I've held many jobs, and the most recent one—the one I'm on now—I've been on for about 7 months. So, I thought I'd give you a little report on what it's like to be working for President Reagan in the foreign policy arena.

Of course, in my job, I'm sort of down in the problems all the time, and they have an endless amount of detail connected with them. Quite frequently, I'm over in the White House talking with the President and getting his guidance and advice on one thing or another, and I find that he has a perspective in quality that is very helpful to me and, I think, all of us who are working with him. That is a capacity to stand back from these details that tend to consume you all the time and take you back to certain fundamentals in your thinking. I thought what I might do—just informally here for a few minutes—is talk

about those fundamentals and what they mean and where they are leading us in our foreign policy.

Economic and Military Realities

The first one the President always comes back to is the importance of being realistic and honest with yourself about what is taking place. We have to be realistic about the problems we face. We have to be realistic about the nature of the world that we're living in. The worst thing in the world we can do is be wishful thinkers about what is taking place.

Insofar as some of our economic problems and international economic problems are concerned, we have to look those in the eye and recognize that what the President inherited in the way of the economy was way out of kilter; that it's taken some very tough action to start to correct those problems. There have been major results in terms of inflation, in particular.

Beyond that, there are many issues in the international economy we have to look at. Not all is well. On the other hand, the cure for most all of these issues is expansion in the world economy—healthy expansion—and I think it is beyond doubt now that 25% of the world economy—namely, the U.S. economy—is starting that expansion. Since the inflation rate is really down—and we're very conscious of the

importance of keeping it that way—we can expect that expansion to be a healthy one, and it is going to do wonders for everybody else around the world.

Having said that, I think we have to also recognize that our way of looking at economic organization in terms of the marketplace, in terms of freedom of enterprise, has a rival. That rival is the command economy approach.

I have found, in traveling around the world as a businessman and in my present capacities, that it widely recognized—increasingly widely recognized—that the command economy approach to economic development doesn't work. It doesn't serve people in a material way and, of course, everywhere it is associated with human repression that we wouldn't tolerate.

So, our way of organizing things—it's not perfect, we have our difficulties, we shouldn't kid ourselves about them, but we're getting some place—is basically working; the other way isn't, and people are increasingly realizing that fact.

There is another reality, and it's a much more military reality. Perhaps I can get it across to you—although I'm sure you all recognize it—by just a few examples. In the Christmas season of 1978, nearly 200,000 Vietnamese troops invaded Kampuchea. They're still there over 4 years later along with 40,000 Vietnamese troops in Laos. That's a reality.

In the Christmas season of 1979, nearly 100,000 Soviet forces invaded Afghanistan. They're still there 3 years later practicing chemical warfare. We should be realistic about these practices and be willing to say what we observe. I'm very reassured to have been able to find at the NATO ministerial meeting in Brussels last December that all of the ministers present subscribe to a common note and condemning this use of chemical warfare.

In the Christmas season of 1980, just before President Reagan took office, Soviet- and Cuban-supported guerrillas sought to overthrow, by force, the Government of El Salvador. Last spring El Salvador held free elections; the guerrillas continue their efforts, and there is a very considerable problem in El Salvador as a result of the Soviet- and Cuban-supported guerrilla efforts.

In the Christmas season of 1981, the Soviet Union culminated a year of political and military pressure to crush Poland's experiment in democratization, and we all know the sad results of that effort.

These are realities, just as the thousand nuclear warheads on Soviet SS-20s are realities. We have to look at all of these things. There are some good things to look at on the economic side. There are some threatening things to look at, and we have to be clear about them.

At any rate, across the board—and I've just hit some examples, some good, some not so good—we have to be realistic about what is going on. That's the first thing the President always comes back to. Don't kid yourself now. What's really taking place? Good, bad, or indifferent—we have to call it as we see it.

Economic and Military Strength

The second thing that we must come back to always is the importance of strength. Economic strength—ourselves and our economy—and we all know our economy is fabulous. It's very productive. It is going through a rough spot, but it's coming out more healthy than it has been in the recent past. It's a very powerful, dynamic, strong economy, and we need to keep it that way.

We need to keep and develop our strength of will and our recognition and adherence to the principles and the values that we stand for; and that what strength we can muster seeks to defend and to find allies around the world who have the same values.

But, of course, beyond that, we must look to our military capabilities and our military strength. The President has placed tremendous emphasis on the importance of strength, and there is no substitute for it. There is no foreign policy for the United States unless we're strong and unless we have a healthy and vibrant economy. These are the fundamental underpinnings of anything you're going to do around the world.

There's no question about the fact that the President has been brilliantly successful in turning around the defense attitude and the defense strength of the United States. The battle continues, however, and it's certainly joined right now. I'm glad to notice on your program that Cap [Caspar] Weinberger will be here. Cap Weinberger seems to be the center of criticism these days. He gets a lot of criticism, and they say Cap is inflexible. Let me say, he has a lot to be inflexible about. [Applause] He needs support, and he's getting support. We

must recognize the importance of developing and maintaining our capacity to defend ourselves, to defend our interests, to defend our values, and to help our allies and friends around defend those same objectives. Strength—military strength, economic strength, strength of will and purpose are fundamentals that the President comes back to time and time again.

Constructive Problem Solving

That, of course, is not the end of the matter because, as you all know, the President is a problem solver. As we look at problems at home and around the world, we have to scratch our heads and say, "What can we do about them?" It's not enough just to be realistic and to be strong, we've got to be able to use that strength and determination for constructive purposes.

I believe we can be proud to say that around the world the United States is always trying to be part of the solution, not part of the problem. It's fair to say that the diplomacy of the United States under the President's direction saved Beirut from destruction. [Applause] We are striving to bring about a more peaceful situation in the Middle East. It's a tough struggle. It's been going on a long while. But we're making some headway. At any rate, in all cases we're trying to be part of the solution. We're bringing suggestions.

In another part of the world we are working with the ASEAN [Association of South East Asian Nations] countries to try to get the Vietnamese forces out of Kampuchea and to create a better situation there—a situation that will serve our interest as well as theirs. You can look at the situation in southern Africa and see similar efforts. You can look at the problems in the economic sphere of our friends around the world and see that the United States again is trying to be helpful, and, at the same time, trying to carry, with that help, a sense of the kind of principles on which we think economic development can properly proceed. I think that with our realism, with our strength, with our alliances—I've been in Asia recently, incidentally, visiting Japan and China, Korea—how many of you here have stood up at the DMZ [demilitarized zone] in Korea? Probably a few of you. [Show of hands] Let me tell you, if you ever have a chance to do that, go do it, because you can feel the hostility. You

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know that you're on a front line. You can also be very proud of the American soldiers there and of the Korean soldiers who are there, and of our capacity to work together with them in defense of freedom.

But I found in all of the countries that I visited a very realistic and clear view of what country is the root cause of the big problems that we have around the world. That was reassuring. We are realistic, we are strong, we try to solve problems, and I suppose any tour of the horizon on those principles is incomplete without saying something about the Soviet relationship. This is something that we must address ourselves to. It's important because the Soviet Union is a large country with a tremendous military capacity and a demonstrated willingness to use that military strength without scruple. So it's there, and we have to deal with the Soviet Union.

Again, I think the principles the President has laid out are the ones to follow, and they're the ones he's following. Namely, be realistic, first of all. Don't allow yourself to kid yourself about what's going on. Be ready to say what's going on. Be strong, but also be willing to solve problems.

What has been happening in recent days is the President's policy has been in place—it is in place, it will be in place—based on those ideas. With new leadership in the Soviet Union the President has, on several occasions, sought to underline the third point: Don't forget the other two points. And in underlining the third point, always the message is, if you're genuinely ready to solve problems in terms of behavior—not words, deeds—then the United States will be there to be a constructive partner always, but with realism, strength, and determination.

I think there's also a fourth point, and it's a point that is very much in the spirit that the President brings to things. Because he is a great believer that if you will counsel realistically with yourself—you'll be strong and you'll solve problems on the basis of that kind of an approach—it's possible that life can be better; that we can have an economy that's more bountiful; that we can have a world that's more stable and peaceful if we're determined about it.

In terms of stability and economic terms—but not just in those terms—that we can have a world that's better in terms of freedom: Freedom to worship, freedom to vote, freedom to speak, freedom to write, freedom to object, to find peace, with liberty and justice for all. [Applause]

QUESTION-AND-ANSWER SESSION

Q. You said, during your speech, that the command economic approach doesn't work. Would you go so far as to recommend that we stop any and all taxpayers' guaranteed loans to Communist economies? If not, why not?
[Applause]

A. I think always in our—you're speaking of the multinational lending institutions, of course. In our policies toward those institutions, we need to represent and to call to their attention this fact of what works and what doesn't work, and to look for projects that are truly justified.

Countries vary across a broad spectrum as to how they're organized, and we don't have to make the decision in terms of the Soviet Union and its immediate bloc, which I think are the real typical command economies. In terms of others, of course, we are a participant in those multinational banks, and we have a strong vote and a strong voice. We get mileage out of our money by having it attract other money, and we have to compose ourselves with our allies in those banks. I would say, certainly, that is what we expect and that is mostly what happens. But, no doubt, there are some cases in which loans go to things that we would not particularly favor, and we can work against that. But I would not support withdrawing from all of the international financial institutions on that account, which I guess is the gist of your question.

Q. I meant the Export-Import Bank, particularly.

A. The Eximbank loans—certainly, I would expect to see that criterion upheld and to expect, also, to see us looking at projects in the Eximbank—a case, of course, that definitely benefits American exporters. That's the purpose of it.

Q. This Administration, as the previous Administration, in the Middle East has operated on the assumption that certain Arab nations were moderate and could be induced into more moderation. Therefore, President Reagan has proposed a peace plan in which King Hussein of Jordan would play an enormous role, and he has also led the fight to sell AWACS [airborne warning and control systems] to Saudi Arabia. At this point certain conservatives, including William Safire, asked what have we gotten in return. In light of Saudi Arabia's continuing funding of the PLO, what evidence is there that the original assumption is sound and that

the current policy is prudent?
[Applause]

A. I don't like the alternatives to an effort to attain peace in the Middle East. It is terrifically important to everyone, including Israel—especially Israel—to have peace in the Middle East. Look at what has happened to Lebanon. Really savaged over many years by the fact that the problems of the Palestinians have simply not been addressed in any legitimate way. I believe that unless and until they are addressed and some reasonable solution is found to the legitimate rights of the Palestinians, we will not have peace in the Middle East.

They're people, they live there, they've lived there a long time, and they can't be ignored. They won't go away. That being the case, it seems to me a proper and prudent, necessary set of policies to be seeking all the time. The kind of setting, the kind of negotiations that will lead to normal relations between the countries in that part of the world.

The President on September 1, proposed a plan that is within the Camp David framework, and, of course, a key to bringing about the sort of result we seek, and the President seeks, is to have additional countries represented at the bargaining table and, particularly, Jordan. Certainly, we have been working with King Hussein to see if the conditions can't be created that will lead him to the bargaining table, and with at least implicit support from other Arabs and from the Palestinian population, generally. I think it's a worthy objective, a necessary objective.

We're not there yet, but that doesn't mean that we can't get there or that we shouldn't be trying, because I think the alternative to trying is to throw up your hands and say, "Let there be whatever measure of security there can be based on armed force." In the end you have to reckon—and people are fond of quoting statements like "an eye for an eye" and "a tooth for a tooth"—I think you have to remember, too, that if you live by the sword, you can die by the sword. Let us try to be peacemakers in that part of the world and bring these populations together. That is what we're trying to do, and it's not impossible; it sure is difficult. [Applause]

Q. I'm from Phoenix, Arizona, the only state to defeat the nuclear freeze.
[Applause] In light of that, I'd like to ask two questions. First of all, could

you comment on the reported attempts of the Administration to suppress the investigation of the Italian Government that the Pope's attempted assassination was, in fact, headed up by the present Premier of the Soviet Union, Yuriy Andropov, who, at the time, was head of the KGB [Committee for State Security (U.S.S.R.)] in which nothing happens of that sort until they get the okay from the head of the KGB; and, if this were the case, it would be tremendous in opposing the present-day nuclear freeze.

The second question: Would you please comment on the Administration's attempt at the so-called playing of the China card and the selling of Taiwan, in general, and the lack of selling the F-5C Tiger Shark, in particular, to Taiwan to defend her country? [Applause]

A. I can see that in addition to defeating the nuclear freeze, you're really loaded. [Laughter] I don't know of any effort on the part of the U.S. Government to suppress the investigation of the attempted assassination of the Pope. Quite the contrary. That investigation is being carried on by the Government of Italy. We await the results of what the Italian Government comes up with. We regard it as a most serious matter and look to the Italian Government to conduct that. We're not trying to discourage them in any way or suppress any evidence whatsoever. [Applause]

As far as the relationship of the United States and the People's Republic of China is concerned, I believe that it is important for us to have a reasonable relationship with the country. It's a vast country. It's an important country. It's going to develop—develop very strongly, I'm sure.

The issue of Taiwan is one of the issues that is very troublesome with respect to that relationship. On the one hand, the Chinese on Taiwan and the Chinese on the mainland both agree that Taiwan is part of China. We say, "Well, that's their problem to work out." But people on Taiwan have been friends of the United States for a long while.

They've fought on our side in Korea. They fought on our side in Vietnam. They have constructed a very interesting and strong economy and society. We're not going to turn our backs on them, by which we mean that we will have commercial and cultural relations with the people of Taiwan, and we stand for the idea that whatever composure of the issues comes about, it must be by peaceful means. Therefore, as specified in the Taiwan Relations Act, we'll sell the armaments to Taiwan needed to uphold that idea. [Applause]

I think what is said in the communique simply describes, following the statement made on the Chinese side, that the situation is peaceful, but the level of arms needed basically is a reflection of the conditions that exist. If there is a peaceful situation, one could expect the level of armaments to decline, but that doesn't change our commitment that any resolution of the issues would be by peaceful means.

This is one of the issues that makes our relationship with the People's Republic of China difficult to achieve—one kind of relationship we want. It's a hard issue to manage, but I believe that we can do so and do so with honor to our commitments to longstanding friends and with a sense of reason and good sense about the importance of a relationship with the People's Republic of China. [Applause]

Q. I'm from Georgetown University. While President Reagan was in Europe last summer, he proposed U.S. action to promote democratic values in institutions across the globe. What specific steps will the Administration be taking in this initiative?

A. We've taken quite a few steps on that initiative. There have been a couple of conferences attended by people from throughout the world, including people from totalitarian, Communist societies, and we have talked in those conferences. They've gotten a fair amount of publicity—about democratic values, about free elections, and it has been surprising to me to see how much reaction we've gotten from the Soviet Union. They sort of shake their finger at us and say, "What do you mean talking about

principles of freedom and democracy around the world." So it's got their attention.

Beyond that, we seek to put these values forward as part of an effort of what is being called "public diplomacy." We are seeking, in connection with the President's budget, a fair sum of money to help us to do that—to take concrete steps, to call attention to these values, to put them forward, to see that people come here, and back and forth, and get exposed, and so on—a program of promoting the values that we believe in rather than just sitting here and expecting people will naturally recognize them. We're very much in favor of this effort that flows from the President's speech before the British Parliament, and it's getting a lot of attention and a lot of effort.

Q. In light of the constant covert terror emanating from Bulgaria, what is Bulgaria's status of relations with the United States, and what do you see as its future status of relations?

A. The harboring of terror is something that we abhor, and we don't have any prospect of any kind of a fruitful relationship with a country that does that, as Bulgaria does.

¹Press release 54. ■

Interview on "This Week With David Brinkley"

*Secretary Shultz was interviewed on ABC-TV's "This Week With David Brinkley" on February 20, 1983, by David Brinkley, Sam Donaldson, Peter Jennings, and Pierre Salinger, ABC News, and George F. Will, ABC News analyst.*¹

Q. We've had now roughly 100 days of the new administration in the Soviet Union, Mr. Andropov. What are your impressions of him at this point?

A. My impression is, starting with my observations at the Brezhnev funeral, that he has taken charge; he's the person with authority. So far, the efforts that we have made to emphasize our willingness to discuss substantive problems and work them out have not produced anything fruitful; nevertheless, we continue to follow our policies—the President's policies—of being realistic, of being strong, and of being ready to seek constructive solutions to problems.

Q. Would you say he is less difficult or more difficult to deal with than his predecessor?

A. He has said that his policy is to continue those of his predecessor, and so far as we can see, that's what he's doing.

Q. Just below the general issue of the economy, which is worldwide, in Europe, as you well know, is the subject of intermediate-range nuclear missiles. Can you point publicly to some evidence now that the intermediate-range missile negotiations at Geneva are not stalemated?

A. The negotiations are taking place, the Soviet negotiators are there, we have very good proposals on the table, they are supported by our allies. I think it's quite apparent that the Soviet Union does not want to see the Pershing IIs and the ground-launched cruise missiles deployed in Europe, as the allies and we have agreed to do.

So with a proposal for eliminating that whole class of missiles on the table, I think there are big incentives on everyone's part to do just that. We have a good proposal, we're discussing it, and that's the way you conduct a negotiation.

Q. There is a certain feeling in Europe that negotiations and really serious debate about deployment is suspended until after the German elections on March 6th. Do you think that election is so crucial to the NATO deployment?

A. I don't think there is such a big debate about deployment, especially among the leaders. They all have said that it's important to deploy on schedule unless there is some breakthrough in negotiations. That is our position; that is their position.

The negotiations themselves have to follow their own pace, and any developments in the negotiations, it seems to me, can't be connected to any particular election.

Q. My point about the German election was that we're not altogether sure who the leader will be after March 6th; whether it will be Mr. Vogel, the opposition candidate, who is not altogether sure that he would deploy the missiles.

A. We can't try to predict election results. They're difficult to predict anywhere, and I think it's very important, from the standpoint of the United States, to be neutral in elections. So I don't want to comment on the candidates.

Q. One of the most predominant European perceptions is that the zero option, while being a very good plan and even a moral plan, is unattainable. When Vice President Bush was in Europe, he kind of threw open the debate, suggesting that maybe if somebody had some ideas, they could put them on the table.

Now, former French President Valerie Giscard d'Estaing yesterday in a very long article in the French newspaper *La Monde* did make a proposal. What he suggested was to change the zero option to the zero objective, and what he said was that the missiles should be deployed, but deployed on a staged basis, agreed to by the governments of the countries where they're going to be deployed, and if the Soviet Union decided to destroy part of their SS-20s and other missiles, you could stop the deployment at a point of equality between

the East and West and Europe, but the final objective being no medium-range missiles on either side. What do you think of that proposal?

A. I like very much the emphasis that Giscard put on deployment and the importance of that unless there is a satisfactory agreement. Of course, the fact of the matter is that these deployments don't take place instantaneously, all at once; they take place on a schedule over a period of time, the first being toward the end of this year. So there's plenty of time for the Soviet Union to come forward with worthwhile suggestions.

Q. What about the part of Mr. Giscard d'Estaing's proposal where he suggests that the European leaders of the countries involved get together and work out the stages, in conjunction with the United States? Would you approve such a plan?

A. I think that it's very important that the allies together work out what the strategy should be. First of all, the strategy of a two-track approach, that is, deployment and negotiations, was worked out jointly, and the zero option, so-called the elimination option, was also a product of joint consultations. These consultations are going on constantly. As I have watched the cable traffic back and forth across the Atlantic and talked to people, one of the refrains that I've heard is how appreciative people are of the fact that there is a rich and full consultant process going on. It should be an alliance process, not a European one and then a U.S. one.

Q. Haven't we lost sight of a process or portion of the negotiating process, a lot of talk about numbers—reduce the SS-20s, not put in the Pershing, not put in the cruise? Isn't there a more basic problem? We want a worldwide limit on intermediate-range nuclear missiles and the Soviets want ceilings only on those in Europe. Is the Administration—and this does concern Europeans—flexible enough to be able to harmonize those two positions?

A. I think you make a very good point, and, of course, we are harmonizing those positions. The zero option is a global proposal, and one of the things that was wrong with the proposal offered by Mr. Andropov was that it simply seemed to propose moving a lot of SS-20s from the European theater to

the Far Eastern theater. I happen to have been in the Far East recently, and that proposal was not a hit in the Far East, by a long shot. There's very firm support there for the U.S. position.

The proposal of Mr. Andropov, if somebody had made that to me when I was a businessman, I would have said he proposed to give me the sleeves from his vest. All he was going to do was move these missiles over here, and they could easily be moved back again.

I think there's another point, though, that I'd like to comment on in connection with your question. I think you're right in saying that with all of the emphasis on arms and missiles and so forth, there is an important point being missed, and there is. And the important point is this: What this is all about is not arms; it's about values, the values of freedom—of the freedom to speak, the freedom to vote, the freedom to worship, the freedom to choose the way of life that we want. That's what it's all about.

The only reason why we have the big defense effort that we have in this country and abroad and the only reason why we are debating these things is that we recognize that we have to be willing to defend these freedoms. But the freedoms are what this is all about.

Q. Another European perception is, the United States no longer has any leverage over the State of Israel and, therefore, it cannot move the State of Israel toward adoption of the Reagan plan. What would you say to that perception?

A. I think the leverage, not only over the State of Israel but everybody in the region, is the leverage given by the possibility of peace. That is the goal that we have talked about and others have talked about. I think it is increasingly recognized as something that is obviously very desirable but perhaps even attainable, and it's that possibility that we seek to keep in front of people as the prime reason why an effort should be made to sit down and work out the conditions that will lead to peace.

Q. Have you heard any more news from King Hussein about the peace plan, the progress? Is he going to join it? Will he take part in it? Anything new on that?

A. There's nothing new that can be stated publicly, but I think it is well known by this time that King Hussein wants to enter the peace process. He recognizes the importance of working

out peace problems with Israel, and I'm pretty optimistic that one of these fine days the conditions will be right for raising that negotiating level a new notch.

Q. He was on this program a few weeks ago, and one of the conditions he seemed to be insisting on was the Israeli withdrawal, or something, from the West Bank, which does not seem to be a live prospect.

A. Of course, one of the issues in what are called final status negotiations, whenever those are gotten to, will be the jurisdiction over those territories and the establishment of that in a way that's consistent with the security needs of Israel. There are a lot of difficult issues there.

There is also in the Camp David process envisaged something called the transition arrangements. I think that they are perhaps less controversial but very important, so presumably that would be the first thing that would be tackled if these negotiations can be gotten going again.

Q. This Administration came into power with a lot of hopes that the Saudis would play a moderating and constructive role, and to that end a lot of sophisticated weaponry was sold to them. It is not perhaps the case that one reason Hussein won't enter is the Saudis won't give him the go-ahead, and he's afraid they'll do to him what they did to Sadat, which is cut off their substantial support to him, which would be much more damaging to him, even than it was to Egypt?

A. No, I don't think so. I think that the Saudis have been playing a constructive role in the region, not only with respect to King Hussein but also with respect to Lebanon. It doesn't mean that they have done everything that at least we think they might do, but they've done a lot and will continue to do a lot. I think they're a very constructive partner in this whole process.

Q. Do they want Hussein to enter the negotiations?

A. Under the right conditions, I think they do.

Q. It's reported that the President has ordered the return of the four AWACS [airborne warning and control system] planes sent to Egypt. Can you tell us about that, and what is the threat at the moment from Libya toward the Sudan?

A. As far as we know, the threat that was clearly present has receded. I

don't want to go into all of the ins and outs of it, but I think the net of the whole thing is, as your broadcast brought out, that the President of the United States acted quickly and decisively and effectively, and at least for the moment, Qadhafi is back in his box where he belongs.

Q. For the moment. What are the plans for the future? What can be done to keep Qadhafi in that box and to keep him from trying to break out again?

A. Of course, there is a long history of reprehensible behavior on the part of Qadhafi. Perhaps you remember the murders at the Munich Olympics and who harbored and gave asylum to those who conducted the murders. This is just one among a great many things that he has done, both in terms of destabilizing his neighbors and in various other ways.

So I expect that he will continue to cause trouble, and our approach, I think, is to let him see that his options are limited and we know what's going on and to conduct ourselves accordingly.

Q. You say his options are limited. Is one of the lessons the President wants out this week is that Qadhafi will not be allowed to cause trouble? Are you really serving notice to Qadhafi in Libya that he's not to try to destabilize his neighbors?

A. We certainly oppose these destabilization efforts, have consistently over a period of several Administrations and will continue to do so. I think that it's apparent that Qadhafi's actions are not at all appreciated by his neighbors. After all, it's interesting that the OAU [Organization of African Unity] meeting under his leadership never took place. Why? Not because of us, but because of the attitude of his neighbors toward him and his behavior.

Q. Your Assistant Secretary for African Affairs [Chester A. Crocker] has an essay or an article published today in which he says Qadhafi is trying to destabilize about half the countries in North Africa. That could keep us pretty busy if we are going to try to contain him.

A. I think the fact of the matter is that people are pretty well onto him. It isn't that we have to do everything; other people, too, have identified the nature of the problem he presents. So I think that he has been pretty well contained, and he'll continue to be so. It isn't just the United States that's involved or aware.

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Q. American policy is a speedy withdrawal of Israel from parts of Lebanon it now occupies, but Lebanese politics seem to be at least as murderous as always with one faction murdering another and a third faction joining them. Is there not a danger that if Israel was to withdraw, you'd have a massacre, or many massacres, much more brutal than the one that occurred in the two refugee camps?

A. There are problems in Lebanon absent the foreign forces, although I think it's fair to say that the problems have been less evident in areas of Lebanon where the foreign forces have not been present and where the Lebanese Armed Forces have been responsible for security.

Having said that, I think it's an oversimplification that our policy is speedy withdrawal of Israeli forces. Our policies are speedy withdrawal of all forces in a manner that's consistent with the security needs of Israel, recognizing the implications of southern Lebanon and their historic destabilizing effect on Israel and the emergence of a Lebanon that can govern itself.

Q. That sounds like a very long process.

A. It will be long in some respects, but it can be rapid in others.

Q. You've just come back shortly from a trip to China, where you found, what I'm sure you already knew, that the—

A. I went to Japan, China, Korea, and Hong Kong, but China was a very important part of that trip.

Q. That's why I wanted to ask you about it. You heard what you already knew, that the Chinese are somewhat restless and irritable about the Taiwan issue and the American sale of arms to Taiwan. What can we do about it? Isn't that going to continue to—poison is too strong a word, but—make difficult our relations with China for the foreseeable future?

A. It's been a difficult part of our relations with China from the beginning, and each time a communique has been negotiated, that issue has been taken up and treated. I think that we must recognize that a relationship with China is a very important one to us, and insofar as the difficulty that our relations with the people of Taiwan, which are unofficial, pose a problem, it seems to me the thing for us to do is manage that in a way that meets the commitments that have been made in the various com-

muniquees, and that's what we undertake to do.

Q. Why can't Taiwan buy whatever weapons it needs somewhere else? The French are big weapons manufacturers, for example.

A. You mean you want us to take a cop-out? Why should we do that?

Q. No, they would just buy their weapons somewhere else and get us off the hook.

A. Oh, come on.

Q. What we've paid for our Chinese relationship is fairly clear—an attenuated, downgraded relationship with Taiwan. What have we got out of this in 11 years? What do we have to show for it? What value is China to us?

A. China is an important country now, it will be more important as time goes on. It has similar interests to ours in some respects, internationally, so we have been able to work effectively together there. I think that there is a strong possibility of a developing economic relationship with China, so I think that it's important for us to have a stable and reasonable relationship with China.

Q. In an interview this morning in *The New York Times*, Moshe Arens, the man selected by Prime Minister Begin to be the new Defense Minister of Israel—

A. Yes, outstanding man.

Q. He said some Washington officials have idealized notions of what's possible in Lebanon, as far as withdrawal. Are you one of them? Do you plead guilty to that?

A. I don't know who he's talking about, but if idealized means that we should aspire to help the Lebanese recreate their country so that the Lebanese people can live in peace and prosperity, I plead guilty. That is an important objective. I have been to Lebanon and Beirut in the days before the PLO [Palestine Liberation Organization] ravaged the country and seen what a beautiful and central place it can be in the Middle East.

Q. He seems to mean, judging from the interview, that some officials in Washington are putting too much pressure on Israel to withdraw too quickly, consistent with Israel's security needs.

A. Israel's security needs are an important and legitimate aspect of any

withdrawal plan, and there is no controversy about that whatever. The problem is how do you do it? I think that proposals to have a permanent Israeli armed force presence in Lebanon is hardly consistent with the idea of sovereignty for Lebanon. Nevertheless, it seems to me that there are ways to give the kind of insurance that Israel properly wants in southern Lebanon that are consistent with sovereignty. That's sort of the nature of the problem, as we're trying to work it out.

Q. What is one of these ways?

A. There are a host of problems. There is the need for intelligence about what is going on, and is there any infiltration taking place, and I think that kind of thing can be met. Of course, I think one of the important matters here that's sometimes talked about as separate, although I think it's connected, is the degree of normalization between Lebanon and Israel that is present. Some normalization in a process that can unfold I think is important, and, of course, the more of that there is, the more that lends to security aspects, because there are people there going back and forth in the normal course of events, and they can see for themselves what's taking place.

Q. Nigeria this morning announced a cut of \$5.50 a barrel for oil, Norway and Britain some \$3 earlier in the week. Is OPEC [Organization of Petroleum Exporting Countries] breaking up? Is this a good thing that's happening.

A. I think in the history of cartels, it takes time for them to run into their difficulties, but history shows that they always do. I think the fact of the matter is that the price that had been set earlier was too high for the economics of the situation, and the market has taken over. Where it will go, I don't know, but I think with whatever problems for individual countries a fall in the price of oil may pose, for the world in general it's a good thing. It will help us in our effort to have our GNP grow in real terms and to have inflation kept under control and deal with some of the international flows involved.

Q. The President has emphatically reaffirmed his support for Ken Adelman as his choice to be Director of the Arms Control and Disarmament Agency. Some Senators opposing it say that you and the President and [Defense Secretary] Cap Weinberger are busy rookies, you don't know enough about this and your schedules

are too busy, and, therefore, you need an old veteran of the arms control process. Do you need Adelman, do you want Adelman, and how serious a blow to you will it be if you can't get the man you choose?

A. We need him and we want him and we're going to fight for him and we're going to get him. He is a person, first of all, of great ability. He has worked and thought about this subject a great deal over a period of time. The fact that he's young—I don't know, there are people who tell me that when they're 36 years old, they're old, depends on your perspective. But personally I think if you can get some of that zest in there that he brings, it'll be a good thing. After all, we have to remember that the people who are really going to live in the future are not those of us who are in our sixties; it's the people who're in their thirties. And what's wrong with a little youth in this picture, as long as it's competent and conscientious, which he is.

Q. You mentioned the declining price of oil, which will be a difficulty for Mexico, for example, which owes a tremendous amount of money to American banks and others and will be less able to pay it, selling oil at low prices. You were Secretary of Treasury before you were Secretary of State and an economist. Are you disturbed about this—all the money owed to American banks which seems increasingly unlikely to be paid?

A. The debt problems are a problem. I believe they can be handled with good work, as we have been getting good work from our own Secretary of the Treasury, Don Regan, and from Paul Volcker at the Fed, working with Jacques de Larosiere, who is a terrific person at the IMF [International Monetary Fund], and people from other countries around. I think that problem can be handled, although it's a difficult one.

Q. Even though the money seems, at the moment, unlikely to be paid, it can be handled?

A. The real way out of the dilemmas of these debt problems is expansion in the world economy. If we get expansion, then everything gets into a little different perspective. That's the name of the game right now, in my opinion, and I think that the U.S. economy is poised for the start of a healthy expansion and perhaps some others will be, too.

Project Democracy

Statement before the Subcommittee on International Operations of the House Foreign Affairs Committee on February 23, 1983.¹

On a few occasions since I became Secretary of State, a new policy or program has been presented to me whose purpose was so clearly in our interest that I asked, "Why hasn't this been done before?" I asked that question when presented with this democracy program. The answer was that although the U.S. Government has programs to support the development of democracy abroad, they are inadequate. Some programs have even been weakened in the past few years, victims of our all too typical preference for quick results over sustained effort.

The United States, as a great power with worldwide interests and obligations, must take a long-range view of the international environment. We cannot allow our preoccupation with the policies and events of the next days or months to lead us to neglect the trends in attitudes and values which will shape the world in the decades to come. The U.S. Government—the executive and the Congress—has a responsibility to look far ahead to insure that the values and principles that Americans of all political persuasions share with many peoples throughout the world will shape the course of events in the future and will insure that the world evolves in a way that will maximize the chances for peaceful cooperation, freedom, enhancement of human rights, and economic development.

President Reagan exercised this responsibility in his speech before the British Parliament on June 8, 1982. He promised that the United States would make a major effort to help "... foster the infrastructure of democracy—the system of a free press, unions, political parties, universities—which allows a people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means." He also called upon our country to stand up more vigorously for the principles and values which underpin our democratic society. He emphasized that the ultimate determinant in the struggle now going on for the world "... will not be bombs and rockets, but a test of wills and ideas, a trial of spiritual resolve. ..."

The program I am presenting to you today is an important step in the implementation of President Reagan's London initiative. But it is just a beginning. It is the Federal Government's initial contribution to what must become a larger effort for all America. Support of democracy is an activity in which communities, organizations, and individuals throughout our country can and must participate. In this regard, we are especially pleased that the chairmen of the two political parties, the president of the AFL-CIO, and representatives from the Congress and business are conducting a study on how the United States—particularly its nongovernmental organizations—can work to strengthen democracy abroad. We are in close consultation with the study's executive board and staff and look forward to their recommendations. We believe that the program we are proposing today is compatible with the direction of this study, and, indeed, both will become part of a larger, broader effort.

Support for Democracy

Many in our society have for years advocated a stronger American effort to support the institutions and proponents of democracy abroad. They have recognized that only in democracies is there inherent respect for individual liberties and rights. In democracies, there is freedom of expression and real participation in choosing leaders, both of which insure that governments serve their citizens, not vice versa. In the postwar world, democracies have exhibited extraordinary economic vitality. With their more flexible economies, democracies have continued to demonstrate the efficiency and dynamism necessary to maintain strength in a complex and difficult international economic environment. Democracies stand for peaceful cooperation; they do not invade or subvert their neighbors.

If we are to achieve the kind of world we all hope to see—with peace, freedom, and economic progress—democracy has to continue to expand. Democracy is a vital, even revolutionary, force. It exists as an expression of the basic human drive for freedom. While it is threatened or repressed by those forces for whom power takes precedence

¹Press release 59 of Feb. 23, 1983. ■

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over liberty, with the hard work, perseverance, and courage of its proponents throughout the world, democracy will flourish. It is not the preserve of industrialized nations. Today, in a number of countries in varying stages of economic development, democracy is growing stronger. President Monge of Costa Rica pointed out to us last November that democracy can thrive in developing countries. Democracy is not just the hope of the distant future; it is the present.

Support for the development of democracy is an essential part of our human rights policy. This Administration is committed to promoting the observance of human rights worldwide through concrete actions. While we continue to talk to governments about specific human rights violations, we know well that the protection of human rights and liberties over the long term can only be insured by a democratic form of government.

We are not so naive to believe that imitations of the U.S. system will or even should spring up around the globe. Democracy is more a set of basic principles and institutions than a single, immutable model. The principles and basic institutions are valid worldwide; the overall structure has to be adapted to take into account historic, cultural, and social conditions.

It is naive to believe that we do not have to work for democracy—that merely its existence somewhere in the world is sufficient incentive for its growth elsewhere. Some claim that the United States must be a beacon for democracy, and that, if we make sure the beacon is bright, others will inevitably follow. Certainly, if we are successful in meeting the economic, social, and political needs of our own people, we will give democracy more momentum throughout the world. But that is not enough. Many in the world cannot see our beacon, and for many more it has been distorted. And still others who are able to see it and are inspired by it need help in the form of practical assistance.

We have provided assistance before, in postwar Western Europe and Japan. What we helped achieve there constitutes one of the most remarkable, positive chapters of recent history. Since then, we have let this critical dimension of our foreign relations atrophy. In some instances in the past it became a function of covert activity—to counter the substantial efforts by the Soviets and

their allies to spread their oppressive system throughout the world. Our support for democracy should not be hidden; we should be proud to be seen to provide it. Those nations and institutions—such as certain West European parties and our own labor unions—that have been active in supporting democratic forces in the past two decades have demonstrated that this is a legitimate and important activity that can and should be done openly. There is democracy today in Spain and Portugal in large part because of the substantial support provided democratic parties in these two countries by their West European counterparts.

We are interested in assisting constructive change which can lead to greater political stability, social justice, and economic progress. We do not seek destabilization. Change must come from within, not be imposed from outside. It

Democracies stand for peaceful cooperation; they do not invade or subvert their neighbors.

must follow a path dictated by national and local traditions. In some instances, the United States may not have that much to offer. Instead, assistance and guidance might better be provided by other democracies. And change may be slow. Patience, respect for different cultures and political traditions, and recognition of our own limitations must be hallmarks of our effort; but our ultimate objectives must remain uppermost in our minds.

Project Democracy

Project Democracy emphasizes five closely related areas.

Leadership Training. This includes making available to current and future leaders education and training in the theory and practice of democracy and the skills necessary both to build the basic institutions of democracy and to counter the actions of nondemocratic forces. Programs would be conducted both in the United States and foreign countries. Nongovernmental institutions

such as political parties, labor, universities, business, state and local government associations, legal and community action organizations, and others will play a key role.

Education. We should strive to encourage exposure to the principles and practice of democracy and to the character and values of the United States in the educational systems of other nations. We, therefore, intend to strengthen book programs, American studies institutions, English teaching, scholarships and fellowships, and related programs.

Strengthening the Institutions of Democracy. A number of our programs will strengthen the basic institutions of a democratic society—unions, parties, media, universities, business, legal/judicial systems, religious and community action groups, and others. Here again, we will rely on American nongovernmental organizations to carry most of the load.

Conveying Ideas and Information. Through conferences; meetings; dissemination of books and journals; and special programs in universities, other institutions, and the media, we hope to promote an intellectual and political interest in democracy and a reinvigorated sense of the shared values of democratic societies.

Development of Personal and Institutional Ties. Perhaps the most important result of all our programs will be the development of lasting ties and working relationships between American individuals and organizations and their foreign counterparts. The proponents of democracy need an international network which will provide them with moral support, intellectual stimulation, practical and technical assistance, and protection against their adversaries.

The specific projects we are proposing contain several traditional programs that need strengthening. There is also increased support for nongovernmental organizations such as the AFL-CIO and the Asia Foundation, which over the years have built a unique and admirable record. There are new programs and approaches, particularly in the areas of training and support for democratic institutions. There is an emphasis on developing regional approaches to promoting democratic development. And there is an important and urgent pro-

posal to assist Liberia in its ongoing transition to a democratic government.

Most of the programs are directed at Latin America, Africa, and Asia. There are a few which involve Western Europe. While we hope that West Europeans will be our partners in supporting democracy in other areas of the world, we also believe that we must give attention to strengthening the perception—particularly of the successor generations of Western Europe and the United States—of shared values and a common destiny. Our young people, who did not experience the postwar period, are drawing farther apart. If this trend continues, democracy itself will ultimately be weakened. The economic summit nations recognized this problem last year and agreed to take one important step together—a substantial expansion of youth exchange programs. Other steps must follow. The democracy project contains a few suggestions, but even these are far from adequate.

Project Democracy also addresses Eastern Europe and the Soviet Union. While we are limited in our ability to deal with such closed societies, we propose to strengthen, both in quality and quantity, our information programs reaching these countries. This includes dissemination of books and journals, meaningful and reciprocal exchanges, and support for research and publications on issues facing the Soviets and East Europeans. Our goal is to make available to the people of the Soviet Union and Eastern Europe full, objective discussions of political, economic, and social concepts and events. We hope this will contribute to an evolution in

these countries toward more open, responsive, and humane societies—and eventually toward democracy. The Soviets and their allies accepted in Helsinki the concept of free flow of information and ideas. They are active throughout the world promoting their own ideology and their distorted version

While we are limited in our ability to deal with such closed societies [as the Soviet Union and Eastern Europe], we propose to strengthen, both in quality and quantity, our information programs reaching these countries.

of world events. They have no grounds to complain that our information programs are an interference in their internal affairs. We should not be inhibited in our proper mission to provide alternative sources of information to the people of these nations.

The proposed programs in Project Democracy are not set in concrete. A number need further refinement, and some may be dropped as they prove less feasible or productive than others. Three agencies—the U.S. Information Agency (USIA), State Department, and the Agency for International Development—have worked together to develop these proposals. Though Project Democracy is contained in the USIA budget, funds

will be allocated to the other agencies to carry out certain programs. Decisions on programs, allocation of funds, and ultimate recipients will be made by an inter-agency committee structure.

Conclusion

We invite this committee to work with us as we develop and implement this program. We want this to be a bipartisan effort. I believe that we all share the same objectives and that we must now create together a program that will last through many administrations—a program that will become a fundamental dimension of the foreign relations of the United States. This \$65 million proposal is just a beginning. The Administration, Congress, and the private sector should build a more comprehensive program over the course of the next few years.

I realize this is a difficult time to begin any new program. But we have neglected this area for too many years already, and we cannot afford to let any more time pass. The needs of those striving for democracy are immediate. They will grow in the years ahead. We must develop a better capability to help. This is a matter critical to our national security. I ask you to give it your sympathetic consideration.

¹Press release 60. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

The Search for Regional Security in Southern Africa

by Chester A. Crocker

Statement before the Subcommittee on Africa of the House Foreign Affairs Committee on February 15, 1983. Mr. Crocker is Assistant Secretary for African Affairs.¹

It gives me great pleasure to be able to report to you on developments in southern Africa at the mid-point in the first term of President Reagan's Administration.

These hearings on progress toward independence for Namibia and the broader subject of "destabilization" in southern Africa are, indeed, important, for they address issues at the core of our southern Africa policy. Over the past 25 years, virtually all of formerly colonial Africa has gained independence from the European metropolitan powers. These newly independent nations, many with which we have significant economic, commercial, and political ties, have made clear the importance they attach to eliminating colonialism from their continent. Thus, even apart from the traditional American desire to help the spread of self-government and democracy, there are profound political reasons for engaging in the effort to bring independence to Namibia.

There are equally important reasons for our concern about tension and instability in the region. Clearly, our desire to strengthen economic and commercial links with Africa are not served by local conflicts or arms races, or by efforts of outside powers to exploit them from unilateral advantage. On the contrary, our national interests are best served by an atmosphere of political stability and economic growth, which alone can nurture modern African economic and political institutions. It is obviously to our advantage to do whatever we can to ease tensions and work toward the peaceful resolution of problems and disputes among the nations of the region. This is the fundamental principle behind our policy of constructive engagement in the search for a more stable, secure, prosperous, and democratic southern Africa.

I would like to start by restating the Administration's objectives, so it will be

clear that they have not changed and that we are continuing to pursue them with vigor and purpose.

- The United States seeks to help strengthen communication between the countries of southern Africa in order to ease tensions, bolster regional security, and encourage negotiated solutions and peaceful change.

- We are intent upon using every diplomatic tool at our command in order to bring about conditions which will lead to Namibia's independence at the earliest possible date.

- Believing that "apartheid," as a structure of legally entrenched racial separation, is morally unacceptable to a democracy such as ours, we have sought to encourage those elements within South Africa seeking constructive change, in order to see widened the base of participation in government and the economy to include all the elements of South Africa's varied population.

- Finally, we seek constructive engagement with all the states of the region which wish the same with us. We do not approach the region with the belief that our task is to choose sides; on the contrary, it is the fact of our desire for strengthened relations with all the states of the region that enables us to play a role—where such is welcome—in working for regional security, development, and peaceful change. The United States is on the side of peaceful change and negotiated solutions. This is where our interests lie, and this is what makes us uniquely relevant to the region.

REGIONAL SECURITY

It has long been clear to all who were genuinely concerned about Africa's efforts to develop modern democratic institutions and processes—social, economic, and political—that tension and hostility were inimical to those efforts. Certainly, a region threatened with the prospect of heightened violence and polarization would find it difficult, at best, to focus positive efforts on its own development.

The recent history of southern Africa must serve as a cause of alarm to us. With the collapse of the Portuguese

Empire in the mid-1970s, violence has escalated throughout the region to a point today where the fact or threat of violence is a major feature of the area. Cross-border conflict risks becoming endemic. The question the United States faces—alone and with its allies—is whether diplomacy can provide an alternative to violence or whether southern Africa is in the process of condemning itself to violence as a way of life. We have seen this happen elsewhere in the world—in the Middle East—with still incalculable consequences for world peace and our national security. It is in our national interests to seek to avoid such a development.

This Administration did not invent violence in southern Africa. We did make it our purpose to do something about it. We have set out as a conscious objective of policy to provide an alternative to conflict—not only in Namibia, our most visible effort, but throughout the region. We have made it our purpose to work with the nations of the region to see if a framework of restraint and broad rules of conduct could be developed which could contain conflicts and provide this basis for solutions. The Vice President summed up our policy in Nairobi on November 19, 1982, when he said: "We are determined to help turn the sad tide of growing conflict and tension in southern Africa."

U.S. Communication With African Nations

From the outset of this Administration, we sought to establish effective communication with all those nations and other political elements with which communication was inadequate or had lapsed. It seemed self-evident that unilaterally isolating ourselves from those with which we had differences, however strongly felt, served no purpose other than to cut us off from an ability to influence or affect their policies.

We began with a series of intensive discussions with all of the major actors in the region in order to identify their concerns, see how these fit in with our objectives, and determine how best we might proceed to advance American and Western interests. The priorities which seemed apparent to us were enumerated earlier: regional security, independence for Namibia, the encouragement of elements favoring peaceful change within South Africa away from the system of apartheid, and constructive engagement

with regional states in tackling the larger problems of economic and political development.

With respect to regional security, it seemed clear that one of the major barriers—if not the principle stumbling block—was the inability or unwillingness of parties on either side of South Africa's borders to speak to each other. Instability, coupled with a self-imposed reluctance on the part of the United States to act in concert with potential parties on behalf of our interests, had led to openings which were being exploited by our adversaries. Another major problem was our own lack of a credible dialogue with significant actors in the southern African region—not the least of which were the Governments of South Africa and Angola.

Over the course of the past 2 years, we have worked assiduously to restore communication and get a dialogue going again. I believe we can point to a considerable record of success.

- We have now had an extensive series of discussions at senior levels with the Angolan Government, exploring ways of improving our bilateral relationship with that country and seeking to bring about circumstances which will make possible agreement on Namibian independence.

- After a period of difficulty in our relationship with Zambia, we have worked hard to re-establish a basis of confidence and improved communication, culminating in a highly successful visit that Vice President Bush paid to that country in November 1982. We hope to have President [Kenneth] Kaunda visit the United States in the near future.

- We have continued to attach a high priority to assisting Zimbabwe, now in its third year of independence, as it seeks to meet pressures from the world economic downturn, a devastating drought sweeping across much of southern Africa, and the stresses and strains from political divisions within. Zimbabwe has traveled a rough road over the past 2 years, but those who seek to judge its performance should have the humility to recall our own history at a similar stage in America's independence, as well as the daunting challenges facing Zimbabwe's leadership. We intend to continue our efforts to assist this new country, convinced that it offers important prospects for becoming a keystone in the economic development and regional stability of southern Africa.

Just as we seek to foster a regional climate of security and confidence that will encourage constructive change in South Africa, so, too, do we seek a regional climate conducive to Zimbabwe's success as an independent nation.

- This Administration took office just as U.S. relations with Mozambique reached a low-water mark. Communication with the Mozambican Government was practically nonexistent; that country's policies seemed unalterably aligned with those of the Soviet Union and its satrapies, its perceptions warped by hostile disinformation. But the utter incapacity of Marxist economics to cope with the problems of a developing country, and the conspicuous inability of the Soviet Union to assist Mozambique with security and political problems stemming from its isolation, led to indications that the Mozambican Government wished to reestablish communication with the United States. We responded by making clear that we were interested in a positive relationship based upon respect for each other's interests and were willing to engage in building bridges between us based upon mutual respect. Within just the past 3 months, we have had two sets of discussions between senior American and Mozambican officials aimed at engaging the Mozambican Government in a constructive effort to improve regional stability and restore communications between us. We believe that a solid basis now exists for a meaningful improvement in relations between us.

Similarly, in our contacts with South Africa, we quickly moved beyond discussion of the Namibia issue and bilateral questions to the overarching question of regional security. We believe our extensive contacts with Pretoria have enabled us to more fully grasp the South African Government's concerns about the region's dynamics while also making clear the terms on which we must operate if we are to be credible and effective there. While much remains to be done, the conditions now exist for a candid, sensitive, and productive dialogue on regional matters with that country.

Effective Communication Between Neighbors

I would like to turn now to another facet of our diplomacy in southern Africa—encouraging effective communication between South Africa and its neighbors. We have not engaged in this

effort as a search for glory or out of our own ambition. We have done so for the good and sufficient reason that it is obviously in our national interest. The cycle of violence that threatens southern Africa is antithetical to everything this country stands for. Militarized conflict and the recourse to violent means can only advance the interests of our adversaries.

Dialogue alone, of course, will not necessarily solve the problems, but communication among countries that have serious disputes and basic political differences is an obvious first step. Within the past 6 months, South Africa has had significant and positive discussions with Angola, with Mozambique, and, in fact, with virtually all of its immediate neighbors. It is difficult to overstate the significance of the developing dialogue between South Africa and its neighbors, a dialogue we have sought—in unintrusive ways—to further. We welcome the fact of these contacts and hope that by a thorough airing of differences, a constructive effort can be made toward their resolution.

It is important, we believe, to recognize that as dialogue itself is, by definition, a two-way street, so, too, is regional security. There is a compelling need for all the parties to recognize this. Although at any given moment, following some specific development or event, it might be possible to pronounce a moral or political judgment upon that event, it is not always useful, or even wise, to do so. For that matter, it is not always even possible to know precisely what has taken place, or why. Public posturing and the passing of judgment, however gratifying to those who do it, is not usually the most helpful way to deal with the root causes of disputes. We seek results. This Administration is profoundly conscious of the fact that southern Africa is a highly charged, politically polarized environment. Some would say it is a minefield. There is ample public posturing by the regional actors themselves without adding our own rhetoric to the mix.

Regional security runs in both directions across international borders, and in southern Africa each side in every dispute claims grievances against the other. We have not chosen to condemn each transgression by one or another of the parties, but have, rather, chosen the perhaps less gratifying but certainly more important long-term task of trying to ease tensions. In our view, our effectiveness depends on our ability to be a credible partner of all who wish our

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partnership and are prepared to engage in good-faith efforts to solve problems. Apart from Namibia, all states of the region are sovereign and recognize each other's sovereignty. That is a fact, and it carries with it certain obvious implications. Some states are not more sovereign than others. We recognize no state's right to harbor plotters or perpetrators of violence across borders and against other lands.

I recognize that some observers are less than satisfied with the balance and discretion inherent in what I have just said. But we believe that those who would have us take sides among the parties in southern Africa would have us unlearn every important role of diplomacy. In southern Africa as in the Middle East, it is not by choosing sides that we shape events or resolve conflicts. Our nation should be proud to stand on the side of peace and diplomacy and be prepared to weigh the concerns and interests of the parties involved as we seek to build bridges and explore avenues for agreement.

NAMIBIA

When President Reagan took office in January 1981, the Namibia negotiations had broken down, despite the substantial efforts and accomplishments of our predecessors. There was an atmosphere of mutual suspicion and recrimination among the parties whose agreement was essential for Namibia to secure its freedom. The obstacles to agreement between the parties were so great that it would have been tempting for us to walk away from the problem, washing our hands of the negotiations, and leaving it to debate and doubtful resolution by others. Certainly, there were other urgent priorities.

Instead, partly in response to what we were clearly told by our African friends and our key allies in NATO, and partly because of America's historic tradition of support for self-determination, we set out to find a way to move toward Namibian independence. In preparation for this, we conducted extensive and exhaustive discussions with each of the major parties to the negotiation—the front-line states, SWAPO [South West Africa People's Organization], other states in Africa, the South Africans and the internal parties inside Namibia, and our European allies.

We concluded that Namibia's independence could not be achieved in the absence of conditions which gave all participants reasonable confidence that

their security interests would be protected. It was obvious to any observer that irrespective of the reasons for their being there, the presence of Cuban combat forces in Angola was an integral part of the regional security problem.

I know that the members of this distinguished subcommittee are familiar with the charges and countercharges from both Angola and South Africa about the fighting across the Namibian-Angolan frontier. My point is a simple one: The Cuban troop issue is not an issue we made up; it is an objective reality at the core of the question of regional security. The South Africans, whose concurrence and cooperation must be secured for any agreement leading to Namibian independence, have repeatedly made clear that they regard the Cuban troop issue as fundamental to their security concerns. Quite apart from that, the United States, as Vice President Bush said in Nairobi on November 19, 1982, "is not ashamed to state the U.S. interest in seeing an end to the presence of Cuban forces in Angola," just as we seek internationally recognized independence for Namibia. Such an outcome would contribute to both regional security and a global climate of restraint.

We have, for more than a year now, been engaged in intensive discussions with the Angolan Government in an effort to reach a broadly acceptable formula for parallel withdrawal of foreign forces from Namibia and Angola. These bilateral discussions have been held outside the framework of U.N. Security Council Resolution 435, and are not part of the Western contact group's mandate. We are fully prepared to respond to Angola's security concerns as well as to deal forthrightly with the reality of South Africa's concerns. We believe that this is a viable means of achieving the goal of Namibian independence to which we are profoundly committed. We know of no other means.

We believe that Angola wishes to contribute to a Namibian independence agreement, so long as its own security interests are preserved. We have achieved real progress in our talks with the Angolans and will spare no effort in continuing our search for a comprehensive, peaceful settlement.

Your letter inviting me to participate in these hearings, asked what the "short- and long-run prospects" are for a Namibian settlement, as well as a number of specific questions about "when" South Africa and the United

States made Cuban troop withdrawal a necessary accompaniment to Namibia's independence.

The answer to the first question is: "Reasonably good." Certainly, we intend to continue the effort. But this is a complicated and difficult negotiation, and it involves fundamental issues and choices for both sides. It has taken time, and it may take more. I believe the greatest mistake that we could make would be to yield to the historic American impatience with the progress of negotiations.

That carries with it the answer to your second question, about "when" the Cuban troop issue became a prerequisite for Namibian independence. Security, of which the Cuban troop issue is an integral part, has always been a prerequisite for agreement on Namibian independence. As a practical diplomatic matter, it will not be possible to obtain a Namibian independence agreement without satisfactory regional security assurances. Quite apart from the diplomatic problem, it would not be desirable to bring Namibia to independence in circumstances that held the prospects for greater regional instability and turmoil. This Administration would not be a party to it, and I would hope that no one in this room would wish to see that either.

This approach does not mean an indefinite delay for Namibia's transition to independence. Some in the media and elsewhere press for our forecasts on these negotiations. In reply, I would say that we are neither optimistic nor pessimistic; instead, we have a realistic objective, and we are determined to move steadily toward it.

CONCLUSION

I would emphasize that we have set ourselves goals worthy of the support of all Americans and developed a road map for reaching them. The parties in the region are well aware of our seriousness. Not surprisingly, all of them can find fault with this or that aspect of our diplomacy. But our goals and methods are increasingly understood. Despite the inherent difficulties, the Administration sees no reason to shift course and every reason to persevere.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Our Development Dialogue With Africa

by Chester A. Crocker

Address at the Georgetown University Center for Strategic and International Studies, Washington, D.C., on March 3, 1983. Mr. Crocker is Assistant Secretary for African Affairs.

Ever since World War II, men of goodwill have been debating the problem of underdevelopment in the Third World. For a few countries, mostly in East and Southeast Asia, the issue is now a subject for historical research. The Singaporeans and South Koreans are beyond our concern; and, if they keep performing at current levels, the time may not be far away when their development experts deliberate over the stagnation and backwardness of the West.

Elsewhere, however, and most notably in sub-Saharan Africa, the debate continues with heightened urgency. This is not surprising: Africa was the last continent to gain independence, and it did so with the least preparation. The current world recession has, at least, temporarily aggravated the results of chronic underdevelopment. Today, Africa's economic crisis threatens the political viability of many states, endangers Western interests, and wreaks cruel hardship on millions of individual Africans.

Contrasting Perspectives

At first glance there is a striking, if hardly surprising, contrast between African and Western perspectives on this problem. At the risk of some oversimplification, let me spell out in very general terms these differing views. The African viewpoint, particularly that of the African politician, must assume a future that is economically viable and politically sustainable. It must assume industrialization and, at least, a promise of technological equality with the West (including Japan). It must encompass spiritual health and self-reliance as well as material well-being. The perspective is quite naturally Africa-centric.

Although there are, of course, many variants, the African perspective is often still deeply influenced by the trauma of colonialism. Because colonial economic systems were totally subservient to

metropole interests, the African perspective is frequently suspicious of external economic orientation and sympathetic to import-substitution models. Because Africans recognize the widespread problem of weak, fragmented, national economies, this perspective places great stress on regional integration. Because modern capitalism was associated with colonialism, there is, as in other areas of the Third World, an instinctive sympathy for statist solutions. Last, but not least, foreign aid is often seen as an open-ended moral obligation on the part of the West to compensate for underdevelopment and the perceived wrongs of the colonial past.

The Western perspective is even more varied, so let me take one variant, that of the policymaker. First of all, Africa does not dominate his perspective; it is only one of a panoply of global concerns. Unlike the African politician, the Western bureaucrat is not compelled to assume politically viable solutions within Africa, nor does he take for granted the feasibility of rapid economic progress. Quite the contrary, he is usually more impressed by the negative, short-term implications of Africa's economic crisis, particularly its effect on political stability. Likewise, he sees economic growth as beginning necessarily with assets in hand and is not easily persuaded by such long-term solutions as regional economic integration. He is deeply aware of the potential costs—both political and budgetary—of his country's involvement with Africa. At the same time he is eager for success stories—one or two non-oil-exporting countries growing at 7%, hopefully governed by parliamentary democracies or, at least, by benevolent, technocratic despots.

The apparent contrast between African and Western perspectives is nowhere greater than with regard to aid. The Westerner—and here I speak of the citizen as well as policymaker—has forgotten about colonialism and regards aid not as a moral obligation but as a burden whose relationship to national interest is ill articulated and ill understood, especially when domestic programs are strapped for funds. Beyond this point there is a noticeable divergence between Americans and Europeans: Americans, still inspired by

basic faith in the potential for human progress, want their aid to have rapid transforming results and are discouraged when it doesn't. The Europeans and Japanese, more inclined to a skeptical view of history, are more easily satisfied by short-term political or commercial goals and not as disturbed by the implications of open-ended involvement in a process whose benchmarks are barely visible.

These differing perspectives, African and Western, are reflected in two much discussed documents, the "Lagos Plan of Action" and the report of the World Bank entitled "Accelerated Development in Sub-Saharan Africa: An Agenda for Action." The Lagos plan is a unique expression of African economic goals, approved by the African heads of state in 1980. It looks toward a prospering, industrializing Africa, internally self-reliant and well on the road to economic integration across national boundaries. It is essentially a statement of targets which, once achieved, will comprise a just and prosperous Africa. While it stresses self-reliance, it also states flatly that Africa is owed a "massive and appropriate contribution" of aid by the developed countries.

Although the Lagos plan decries excessive dependence on export of a few commodities, it does not, in general, say very much about how its numerous goals and targets should be achieved. It is careful not to dictate national development strategies on such sensitive topics as the mix between public and private sectors. It does not attempt to calculate the cost of development or to speculate on where the massive sums of money required will come from.

The World Bank report was produced 2 years later in a completely different context. Suggested by the African governors of the Bank in response to growing signs of economic crisis, it delineates a strategy to meet the ambitious goals of the Lagos plan. The report differs most notably from the plan in advocating export orientation. It says, in effect, that exportable commodities are Africa's "bird in the hand," and argues that African countries which have done well at exporting have also done comparatively well in other areas (e.g., food production). While the report accepts the goals of the Lagos plan as valid, it is deeply concerned about the feasibility of attaining them—in other words, about tactics and costs. It puts much more emphasis on the importance of better economic management by African countries, concluding that both a

doubling of foreign aid and a greatly improved African policy environment will be necessary to achieve acceptable economic growth in sub-Saharan Africa.

At present there is a tendency to debate African development in terms which exaggerate the differences between plan and report and between African and Western perspectives. The key issue involves the relative role of external versus internal causative factors in contributing to the present unsatisfactory state of affairs. At best this debate can result in a failure of communication—of Africans and Westerners talking past each other. At worst it can degenerate into polemics and sterile efforts to blame one party or another. So it is important to remember that informed observers, whether African or non-African, agree more than they disagree. In fact, a considerable intellectual consensus, not yet adequately translated into concerted policy, has emerged in the last 2 or 3 years on many of the key issues of African development.

I would like to spend the rest of my time talking about these areas of agreement and then conclude by considering some policy implications.

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Areas of Agreement

First and foremost, everyone agrees that the African crisis is sufficiently deep so that *status quo* solutions are not acceptable. From both the African and Western perspectives, it is dangerous and, indeed, intolerable that Africa's economic performance should lag so badly behind that of other regions. From our perspective, the African crisis delays a potentially significant contribution to world trade, thereby diminishing U.S. growth prospects. Although debt problems are not on the scale of Latin

America, the possibility of default by one or more major African countries nonetheless poses an incremental threat to the health of the global financial system.

Second, there is implicit agreement that there can be no meaningful equity without economic growth. Among development experts there is broad and bipartisan agreement that the more extreme manifestations of the "basic human needs" aid philosophy of the 1970s overlooked this fundamental point.

Third, and a logical corollary of concern with growth, aid programs must strive to stimulate productivity and must be wary of creating government-dominated "pilot projects" which are not productive and which are often too expensive for host governments to operate, much less to replicate.

Fourth, aid donors have unwittingly contributed to the African economic crisis by failure to cooperate in a manner which will insure the most efficient use of their resources, by insisting on their own complex yet highly diverse administrative requirements, by constantly changing their own policies, and sometimes by the pursuit of short-term political and commercial advantage.

Fifth, there is no doubt that African economic management capability is a critical constraint, as is the pervasive shortage of mid-level management skills and experience.

Sixth, there is also no doubt that rapid deterioration in terms of trade has been sufficient to swamp some countries which might otherwise have been making respectable progress. A ton of Zairian or Zambian copper which would pay for 115 barrels of oil in 1975 bought only 43 barrels last July. Similarly, the

purchasing power of coffee in terms of oil is down to roughly one-half what it was, of cotton to one-third, of cocoa to almost one-quarter.

Seventh, agriculture is at the heart of the crisis. Today, while food self-sufficiency remains a fundamental African aspiration, food imports are costing Africa more than oil imports. While it is well known that the World Bank report stresses the need for agricultural policy reform, it is less appreciated that the Lagos plan makes much the same point. To quote from the latter:

For an improvement of the food situation in Africa, the fundamental requisite is a strong political will to channel a greatly increased volume of resources to agriculture, to carry through essential reorientations of social systems, to apply policies that will induce small farmers and members of agricultural cooperatives to achieve higher levels of productivity, and to set up effective machineries for the formulation of relevant programs and for their execution. (Emphasis added.)

Eighth, regional economic integration is a valid long-term objective. The problem of weak, fragmented national economies and small market size in Africa needs no elaboration. Because of the incredible political problems involved, the Africans have, in the Charter of the Organization of African Unity (OAU), explicitly ruled out changing boundaries, and instead are pushing ahead with a more realistic cooperative agenda involving such organizations as the Economic Community of West African States (ECOWAS), the Francophone structure in West Africa, and the new preferential trade area in eastern and southern Africa. But it will be years, if not a generation or two, before this effort results in appreciable economic integration, for reasons well known. The economies that must integrate are frequently competitive rather than complementary, and the process is often further complicated by fear of dominance by one relatively large or advanced partner.

Ninth, there is no questioning Africa's critical need for institutional development and human skills. A generation or two from now, historians may well conclude that foreign aid made its greatest contribution in these two related areas.

Finally, there is growing awareness that the various elements in the African economic crisis must be seen and treated

as part of one complex problem. Excessive debt, the drying up of new credit flows, lack of investment, the inadequacy of institutions, policy, and managerial shortcomings, and even lack of political will all are part of a chain. There is, for example, an inexorable, circular relationship between food shortages, volatile urban consumers, overurbanization, weak institutions, official paranoia about autonomous nongovernmental power centers (worker, farmer, or enterprise groups), and poor policies, with each stimulating the other. It remains the primary objective of foreign assistance to help enlightened leaders break the vicious circle at whatever point will serve the purpose.

Policy Implications

I could go on at greater length, but I've said enough to illustrate the point: People of goodwill, whether Africans or non-Africans, development experts or nonexperts, liberals or conservatives, agree more than they disagree on the nature and extent of Africa's economic dilemma. What are the policy implications of this consensus?

To begin with, it is important that we and the Africans talk to each other about solutions geared to the specifics of highly varied country situations. There is little of practical value to be gained by debate over those areas, mainly theoretical, where disagreement seems to flourish. There is a great deal to be gained by getting down to cases.

Similarly, in a situation where there is plenty of blame to go around, we must not overlook the fact that both African and external factors are involved and avoid the temptation to seek scapegoats. Weighing the blame is a task for historians, not policymakers.

Insofar as external factors are at issue, there is no doubt that the United States, because of its enormous influence on the world economy, bears a special responsibility. For that reason, this Administration has consistently emphasized the importance of restoring our own domestic prosperity and getting interest rates down as the most important contribution that we can make to the health and prosperity of the world, most especially the Third World.

As you know, commercial loans to sovereign states are usually tied to an international interest rate which varies from day to day. For that reason, the International Monetary Fund (IMF) now calculates that every 1% shift in world

interest rates translates into roughly a \$2 billion net increase in interest payments by the non-oil developing countries. The IMF also reports that benchmark interest rates for international lending increased in real terms—after adjusting for inflation—from 0.9% in 1973 to 5.2% in 1979–81. Leaving aside the problem of increased cost, these violent fluctuations pose an almost impossible challenge to national economic policymaking.

Commodity prices will, of course, respond as restored world economic health gives strength to weakened markets. Nevertheless, this is one area where developing nation producers should be especially careful to avoid complacency. The improvement in markets is likely to be both slow and erratic. The development of substitutes (for example, fiber glass optics in place of copper and corn fructose in place of sugar), plus the ever-increasing efficiency of industrial consumers, bode ill for long-term consumption trends. A recent article in *Forbes* magazine, describing the impact on Liberia of a 50% drop in rubber prices in the last 3 years, observes that the implication is ominous: "... that Africa's hope, its legendary storehouse of raw materials, may not be able to lift the continent's people from backwardness and poverty."

We know from long experience that interference with market forces is not the way to solve the commodity problem. Yet we must also recognize, just as we do in the case of our own domestic agriculture, that governments and international authorities have some responsibility to cushion producers from the shock of extreme market fluctuations and to facilitate necessary restructuring. Certainly, we favor full use of existing international mechanisms, such as the IMF's compensatory finance facility, to provide temporary relief where appropriate. We believe it is important to distinguish between viable commodity agreements, which attempt to iron out destructive boom-and-bust price fluctuations and those which are nothing more than resource transfer mechanisms—disguised aid, if you will. We remain open to suggestions for better ways to tackle this vexing problem.

The extent of the African crisis has additional implications for the way that we do business, and by "we" I mean both the U.S. Government and the broader community of aid donors to Africa. The basic lesson is that a more coherent,

purposeful, efficient, coordinated effort is needed. Within the U.S. Government we must try to improve the interconnection between various aspects of our foreign economic policy toward the Third World. For example, there may be occasions when AID [Agency for International Development] and export promotion programs can work together, enabling the same scarce budget dollar to serve multiple policy ends. The relevant bureaucracies—State, AID, Treasury, Overseas Private Investment Corporation (OPIC), Export-Import Bank, and Commerce—must evolve a system which relies more on cooperation and communication and less on the traditional Washington pattern of bureaucratic compartmentalization or conflict.

The same need for better coordination is visible at the international level. The day has long passed when in almost any situation the United States was the dominant aid donor. We never have been number one in Africa. Today, in Africa, we are number three among bilateral donors, behind France and Germany, and we contribute less than 10% of total official development assistance. In many countries our own efforts to enhance economic stability and growth are heavily dependent on the efforts of the World Bank and the IMF. Only a massive increase in our bilateral assistance, virtually unthinkable under current budgetary circumstances, would change this pattern.

It follows that to improve the effectiveness of our own policies, we must work more closely with our allies and with the international financial institutions. This cooperation encompasses a series of subagendas. To minimize the burden on host governments, donors can attempt to simplify and regularize their administrative requirements. To increase efficiency and avoid duplication of effort, they can better coordinate activities within sectors. Such sector-level coordination is the major activity of the seven-nation donor group known as Cooperation for Development in Africa (CDA).

By their own behavior, donors can have enormous impact on the effectiveness of the multilateral institutions as they proceed with the delicate business of persuading governments to implement improved policies which may be painful or expensive or both. For example, increased bilateral aid as well as generous debt relief is often required in the early phases of an IMF stabilization

program, when austerity measures would otherwise create politically intolerable budget pressures and a growth-throttling shortage of foreign exchange. On the down side, ill-advised donor activities—such as the promotion of complex projects that are unrealistically expensive to build or operate—can slow down a fledgling recovery effort. We must recognize that the World Bank and the IMF need the active, intelligent support of member governments in order to do their own difficult jobs.

To provide such support, we have launched an effort to coordinate our own bilateral programs with those of other donors, the IMF, and the Bank. The key mechanism is an informal interagency working group—attended by State, AID, Treasury, and U.S. representatives to the Fund and Bank—which convenes periodically to consider specific country situations. While this is still a new initiative, it is clearly a promising approach to the problem of more effective and efficient use of our scarce resources.

We must also think through the implications of the emerging consensus on the vital role of the private sector—always defined to include both large and small producers—in the search for increased productivity and self-sustaining growth. Spurred by adversity, African leaders are beginning to get over some of the ideological hangups and entrenched bureaucratic habits of the past. We should listen when they tell us, as they increasingly do, that they want more American trade and investment.

Our response to them correctly emphasizes the importance of self-help efforts to achieve the kind of economic climate that will both stimulate local enterprise and attract outside capital. But we must go further, lest our rhetoric on the virtues of the private sector be seen by the Africans as a hollow joke. If we are serious about the developmental impact of the private sector, we must increase the resources we devote to private sector programs including Eximbank and OPIC. We must continue and expand the major new effort launched by AID's Bureau for Private Enterprise.

That untapped possibilities may be present is suggested by the case of Somalia. In that country, long regarded as an archetype of poverty and backwardness, economic liberalization and decontrol has recently given a sudden stimulus to commercial agriculture: the

result—new opportunities, identified by an AID consultant, to provide assistance directly to local producers, including cooperatives, rather than following the more traditional pattern of channeling aid into government bureaus. Another example is found in Zimbabwe, where AID's commodity import program enables the local subsidiary of Caterpillar, Inc. to obtain the U.S. parts and

... we must not be seen as hectoring or preaching nor lose sight of the fact that the reexamination of past policies should be a mutual undertaking. In the end, it will be the Africans who take the risks and make most of the sacrifices.

equipment needed to sustain healthy and expanding operations at a time of great foreign exchange constraint. This, in turn, will help enable Caterpillar to maintain its ambitious training program—covering everything from sales to engineering—for black Zimbabweans.

But we do not have nearly enough commodity import programs in Africa, and those that exist are under severe budgetary pressures. Legal and budget constraints on Eximbank and OPIC inevitably make those agencies loath to commit funds in the comparatively high-risk circumstances that prevail in Africa.

Up to now I have spoken mainly of policy implications for the industrialized countries, but there are, of course, similar implications for the Africans. They must redouble their efforts to think through how, in practical fact, the goals of the Lagos plan may be reached. They must recognize the jarring reality, not likely to be reversed, of static, or at best, slowly rising aid levels. Some old shibboleths badly need reexamination, including the notion that a country must physically produce its own food supplies, when in some cases it may be more efficient—and no less self-sufficient—to concentrate on cash crops and buy food

with the money thus earned. Misguided preconceptions of bureaucracies as benevolent, of profits as evil, are diminishing but still widespread.

Conclusion

I began this talk by noting the differences in perspective that characterize African and Western views of development policy. I suggested that, in fact, we agree more than we disagree and that the reality of the economic crisis which grips Africa today has underlined the core problem—stagnating growth—in a manner which has already compelled us some distance toward consensus. One of the central elements in that consensus is awareness that all of us—Africans and non-Africans—must reexamine the habits and mindsets of the past to see how we can apply limited resources more effectively to solve the crisis.

This Administration has already embarked on an expanded process of consultation and dialogue with Africans and with other donors. The tone of voice with which we conduct this dialogue is important, for we must not be seen as hectoring or preaching nor lose sight of the fact that the reexamination of past policies should be a mutual undertaking. In the end, it will be the Africans who take the risks and make most of the sacrifices.

The kind of dialogue that we need is not painless. For the industrialized countries it demands flexibility, innovation, and an increased commitment of bureaucratic and budgetary resources. For the Africans it involves a willingness to discuss policy issues which are the sovereign prerogatives of independent governments. If we are serious, there is bound to be friction from time to time. My comment would be that assistance relationships are never completely friction free, nor should they be unless we want them perpetuated indefinitely.

I am reminded of India, a country which for many years received massive U.S. aid, often accompanied by advice that was not always completely welcome. Today India has made impressive developmental strides and apparently achieved food self-sufficiency. There is continuing debate over the role of foreign aid in this achievement. My own preferred version of India's success story would give some credit to the efforts of American and other donors who invested millions in Indian agriculture in

the 1950s and 1960s. But I would also like to believe the theory which holds that the Indians were, as time went by, irritated by the volume of advice they had to accept from well-meaning foreigners and increasingly determined to reach the point where they no longer needed such help.

Despite the enormously varying circumstances which prevail in Africa, our goal there must be similar. We must respect and share the vision of human dignity and prosperity that pervades the Lagos plan of action. That vision can only be achieved through economic growth, which will require new levels of creative cooperation among the industrialized countries and African nations. The issues involved are complex, sometimes seemingly insoluble. The search for solutions will be arduous and impose burdens on both sides. We must not be afraid to speak frankly to each other, because we are hopefully beyond the stage of paternalism and double standards. But above all we must, as mature partners linked by mutual interest, persist in the search.

Our success or failure will, of course, be reflected in the development achievements of African nations. And here, despite the vicissitudes of world recession, there are new grounds for hope. For example, in Sudan, cooperative effort between donors and Africans has launched a new stabilization and development program involving extraordinary debt rescheduling, aid, and wide-ranging policy reform efforts. If sustained, this program can bring Sudan out of its deep-seated economic crisis. Similar efforts are underway in Kenya, Liberia, Senegal, and are beginning elsewhere. In short, expanding our development dialogue is not a theoretical issue. As our consensus grows, it can and must be used as a basis for action. ■

Ensuring Security in the Nuclear Age

by Kenneth W. Dam

Address before a regional foreign policy conference sponsored by the Department of State and the Institute of International Education, Denver, Colorado, on March 8, 1983. Mr. Dam is Deputy Secretary of State.

As a native of Kansas speaking in Colorado, I am reminded of former President Truman's remarks about the disputes that have occasionally arisen between these two great states. "When Kansas and Colorado have a quarrel over the water in the Arkansas River," Truman said, "they don't call out the National Guard in each state and go to war over it. They bring a suit in the Supreme Court of the United States and abide by the decision."

As a former law professor, I can testify to the role the Supreme Court plays in resolving conflicts among states. There is, of course, no ultimate arbiter of disputes among nations. As a result, each nation must develop its own strategy for resolving disputes. The U.S. strategy for ensuring security in the nuclear age is, like our judicial system, based on a commitment to the peaceful resolution of conflicts. This Administration seeks to ensure our continued security by maintaining a credible military deterrent, while simultaneously negotiating significant arms reduction agreements.

Our strategic policy has been the result of a consensus shared by presidents, representatives of Congress, the public, our allies, and our friends. That consensus is based on two principles. The first is that war is best avoided by maintaining sufficient arms to deter it in the first place. The second is that the risk of war is lessened by reducing the armaments of war. These two principles are complementary, not contradictory. Mutual reductions to equal and verifiable levels can simultaneously reduce the risk of war and the quantity of arms needed to deter it. Thus the strategic program of the Reagan Administration is based squarely on the conviction that the two paths to peace are deterrence and arms reduction.

I should like to begin my remarks by discussing the strategy of deterrence

and the changing military balance. I shall then discuss how our modernization program seeks to restore that balance by improving our deterrent. Finally, I shall describe this Administration's arms control proposals, which have already moved us beyond the concept of a freeze at current levels and toward the higher goal of meaningful arms reductions.

The Strategy of Deterrence

The foundation of peace in the nuclear age has been America's strategy of deterrence. Since we first acquired nuclear weapons, the United States has sought to prevent war by discouraging aggression against the United States and its allies. By presenting any potential aggressor with the prospect of certain retaliation, peace has been maintained for nearly 40 years. The history of the 20th century makes it sadly clear that peaceful intentions and good motives alone will not stop aggressors. Adequate military strength does so, and the strategy of deterrence has been successful in protecting the security of America and Western Europe since the end of World War II.

However, while our policy of deterrence has remained constant, the means of achieving it have changed dramatically. In the late 1950s, a few hundred American bombers were sufficient to discourage an attack against us or our allies. Today, maintaining an effective deterrent requires a triad of manned bombers, land-based intercontinental missiles, and sea-launched ballistic missiles. The task of adjusting to technological change and Soviet developments was not easy. Yet it preserved the peace because it maintained a balance of forces between the United States and the Soviet Union.

The Changing Military Balance

That stabilizing balance of forces has now been upset by the Soviet military buildup, which contrasts sharply with our own military restraint. U.S. defense spending has actually declined over the last several decades, both as a percentage of the nation's gross national product (GNP) and as a fraction of the Federal budget. In 1962, when John

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Kennedy was president, 46%, or almost half of the Federal budget, went to our national defense; in recent years, only one-quarter of our budget has gone to defense. Even with our planned increases, defense spending will represent only 6.8% of our GNP in 1984—just 1% more than the 5.9% we averaged in the 1970s.

By contrast, Soviet military investment has grown constantly over the last two decades and was nearly double ours by the early 1980s. In particular, for strategic nuclear forces, Soviet investment was about three times higher than ours during 1980–81; for general purpose forces, it was 50% higher; and for research and development expenditures, it proceeded at approximately twice our rate.

This increase in Soviet defense spending has resulted in a dramatic in-

crease in the number of their strategic systems. For example, in the 8 years from 1974 to 1982, the Soviet Union deployed almost six times as many intercontinental ballistic missiles as the United States and over 16 times as many ballistic missile-firing submarines. And in the past 6 years, while the United States *withdrew* 1,000 nuclear warheads from Europe, the Soviet Union *deployed* over 1,000 highly accurate warheads on mobile SS-20 ballistic missiles. NATO currently has nothing comparable to the SS-20. In short, as former Secretary of Defense Harold Brown has described the history of the U.S.-Soviet arms relationship, "When we build, they build; when we stop, they build."

As a result of the sustained Soviet buildup and corresponding American restraint, the Soviet arsenal is not only more numerous but also more modern than our own. The U.S. bomber fleet is a product of the Eisenhower and Kennedy years. Few of us would regularly drive 25-year-old automobiles except in antique car rallies, yet some of our B-52 bombers are older than the pilots who fly them. Similarly, our land-based missiles were conceived in the 1950s and installed in the 1960s. We have not deployed a new land-based intercontinental ballistic missile in 13 years. In some cases, even the safety of these systems has decreased over time.

In contrast, the Soviets have gained qualitative advantages by continually upgrading their strategic weapons. Indeed, there has been a marked improvement in the accuracy of Soviet missile warheads over the last decade. The lethal combination of greater numbers and improved accuracy makes our own

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As a result of the sustained Soviet buildup and corresponding American restraint, the Soviet arsenal is not only

land-based missile force vulnerable to a Soviet first strike.

These Soviet strides in arms investment, numbers, and quality have resulted in an imbalance in the strategic relationship between the United States and the Soviet Union. As the events in Washington this week demonstrate, many concerned Americans believe that the United States and the Soviet Union should agree to freeze their nuclear arsenals at existing levels. Yet a freeze would leave uncorrected the very imbalance that unsettles the world. Moreover, a freeze would saddle the United States with an aging strategic force. Meanwhile, the Soviet Union would be free to maintain the advantages of its more modern nuclear arsenal.

The President's Modernization Program

This brief overview of the U.S.-Soviet arms relationship reveals the fact that, as the President has said, although there has been much talk of an arms race, "the truth is that, while the Soviet Union has raced, we have not." Nor do we intend to enter any such race. Rather, we intend to *modernize* our nuclear deterrent and restore that essential balance that has preserved the peace since World War II. The Soviets must understand that while we will not seek superiority, neither will we allow them to achieve it.

As a result, the President has proposed a vigorous modernization program. That program is not inexpensive. But even with our proposed budget increases, defense spending as a percentage of our GNP will rise less than 1% over the next 4 years to an estimated 7.7% in 1988—about half the comparable estimate for the Soviet Union.

Though the President has dedicated his political career to reducing government spending, he believes it essential to ask for this increase in our defense budget. He does so in order to enhance the prospects for peace at minimum cost. The President's modernization program will reduce the risk of war while increasing the Soviet incentive to negotiate arms reduction. The heart of that program is our effort to increase the survivability and capability of our strategic deterrent of air, sea, and land-based systems.

Improving the Strategic Triad. To modernize the air leg of our strategic triad, the President has proposed a dual program of procuring a mixed force of B-1 bombers to be deployed beginning in 1985, and the Advanced Technology Bomber—the so-called "Stealth Bomber"—to be deployed in the early 1990s.

Since our current ballistic missile submarines will become more vulnerable in the face of Soviet advances, the President's program calls for modernizing the sea-based leg of the triad with the new Trident submarine and Trident I and II missiles. The first Trident became operational last December.

The third element of the modernization program involves our effort to improve the survivability and capability of our land-based intercontinental ballistic missiles. This effort is currently being reviewed by the Scowcroft Commission, which will report to the President in a few weeks. I shall not try to predict the

outcome of this review, but I will say that the outcome is important, not only for our future strategic posture, but also for the chances for meaningful arms controls. A modern, land-based intercontinental ballistic missile (ICBM), such as the new MX missile, is essential to help reestablish the strategic balance. It also has an important bearing on our ability to negotiate a meaningful arms reduction agreement with the Soviet Union.

Providing a Negotiating Incentive.

As a lawyer, I know that negotiations begin only when both parties believe they have something to gain by talking or something to lose by failing to talk. Without the incentive of gain or loss provided by our modernization program, the Soviets would see no advantage in coming to the table in the first place.

In March of 1977, for example, the United States presented to Moscow an ambitious proposal for redirecting the SALT [Strategic Arms Limitation Talks] process. What we sought was a commitment to genuine reduction of nuclear arms. What we received from the Soviets was a blunt refusal even to discuss the proposal. They had no incentive to discuss reductions. For two decades the Soviets had been investing enormous sums in modernizing their nuclear weapons, and the military balance was tipping in their favor.

Eventually, of course, a SALT accord was negotiated. That accord provided, as its name implied, for strategic arms *limitation*—meaning that, with few exceptions, it merely limited further growth in certain strategic systems. That treaty was never ratified by the Senate.

President Reagan took office in January 1981 with a pledge to restore the strategic balance. On October 2, 1981, he announced the comprehensive program, which I have just described, for modernizing America's strategic triad; and on November 18 of that year, he announced that his Administration would seek a strategic arms *reduction* agreement with the Soviet Union. The Soviets thus had an incentive to come back to the table, and they remain at the table today.

U.S. Arms Reduction Proposals

Indeed, we are now engaged in two sets of nuclear arms negotiations with the Soviet Union in Geneva. One is the Strategic Arms Reduction Talks or START; the other is the intermediate-range nuclear forces, or INF, talks. Our

approach in both these negotiations—and, indeed, in all our arms control efforts—is based on the four principles first outlined by President Reagan in his speech at the National Press Club in 1981.

First, we insist on significant reductions. We are committed to reducing the number and destructive potential of weapons, not just freezing them at current high levels.

Second, we seek equality and will accept nothing less. We believe that a reduction to equal levels is absolutely necessary to restore that essential balance that can provide our country with adequate security.

Third, we insist on verifiability. Arms control agreements cannot be based on trust alone: Witness the Soviet use of biological and chemical weapons—"yellow rain"—against the peoples of Afghanistan and Southeast Asia, in direct violation of international treaties to which the Soviets are a party. The United States will thus insist that any future arms control agreements contain effective measures to ensure compliance by both sides.

Finally, we will insist that arms control agreements genuinely enhance U.S. and allied security. We must not accept cosmetic agreements that engender a false sense of security.

START Negotiations. Our START proposals are based on these four prin-

... "the truth is that, while the Soviet Union has raced, we have not." Nor do we intend to enter any such race.

ciples. We have proposed, as a first step, that both sides reduce their ballistic missiles to about half of what is now in the U.S. inventory. We also propose that the number of warheads for these missiles be reduced by one-third, only half of which would be allowed on the most destabilizing systems—the land-based ICBMs. We are prepared in a later phase to seek a reduction in the throw-weight of these missiles to equal

levels below current U.S. levels. We also intend to propose limits on other kinds of strategic nuclear systems. In short, the United States is not seeking negotiations for its own sake. The United States is not seeking an agreement that would merely limit the growth of strategic forces. Rather, we are seeking a START agreement that would result in substantial, equitable, and verifiable reductions in nuclear weapons.

INF Talks. The other nuclear arms negotiation underway in Geneva is the intermediate-range nuclear forces (INF) talks. The U.S. position in the INF talks is based on the initiative which President Reagan announced in November of 1981 and which has been fully supported by our allies. He proposed cancellation of the NATO decision to start deploying U.S. Pershing II and ground-launched cruise missiles in Europe later this year if the Soviet Union agreed to dismantle its INF missiles—the SS-4, SS-5, and SS-20. This proposal was based upon the belief that, as the President stated in his speech to the American Legion on Washington's birthday, "the complete elimination of the entire class of longer range, land-based INF missiles remains the best and most moral outcome" to the negotiations.

The President has made it clear, however, that ours "is not a take-it-or-leave-it proposal." He has instructed Paul Nitze, our ambassador to the INF talks, "to explore in Geneva every proposed solution" that is consistent with the principles supported by our European allies. These principles state first that a fair agreement must be based on equal levels of U.S. and Soviet forces. As a corollary, British and French national strategic systems are, by definition, not a part of these negotiations and not to be considered in them. In addition, Soviet proposals which have the effect of merely shifting the Soviet threat from Europe to Asia cannot be considered reasonable. Finally, a fair agreement must be underwritten by effective verification measures.

Thus far, however, the Soviets have responded to our INF proposal with ones designed to retain the current Soviet monopoly in longer range land-based INF missiles—a monopoly that has been strengthened by the addition, on average, of one SS-20 a week since the talks have begun. The Soviet proposals would permit them to keep a formidable arsenal of INF missiles, including every SS-20 deployed to date, while NATO would be prevented from deploying any counterbalancing missiles

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in Europe. Moreover, there would be nothing to prevent the Soviets from deploying even more INF missiles in Asia or moving missiles from Europe to Asia—from where these mobile weapons could be returned to Europe in short order.

In sum, our INF and START proposals aim to achieve substantial, equitable, and verifiable reductions, especially in the most powerful, accurate, and rapid systems—ballistic

missiles. Our proposals thus will not advance the national interests of one side at the expense of the other's but will advance the best interests of both. The Soviets have not yet responded in kind. But our efforts to modernize our nuclear deterrent have simultaneously reduced the risk of conflict, while providing the Soviets with the necessary incentive to sit down with us at the negotiating table.

It is important to note, however,

that a freeze at existing levels, such as that proposed in last November's Denver resolution, would remove the incentive to negotiate by preserving the current rough Soviet advantages in strategic arms. Indeed, if we achieved agreement on a verifiable freeze—a task which might take precious months—the Soviets would have an incentive to prolong the freeze and avoid any serious talk of significant arms reductions to lower but equal levels. More importantly, our program of modernization and negotiation has already compelled the Soviets to acknowledge the desirability of some moderate arms reductions. A freeze, therefore, would actually represent a step back from the progress we have made. We have, in short, moved beyond the freeze.

ACDA Annual Report

MESSAGE TO THE CONGRESS, FEB. 9, 1983¹

I am pleased to transmit to you the 1982 Annual Report of the United States Arms Control and Disarmament Agency. This report, the 22d submitted since the creation of the agency, provides a complete review of the important work of an Agency which plays a crucial role in our country's national security program.

On September 21, 1982, I met at the White House with the three U.S. arms control negotiators, Ambassadors Rowny, Nitze, and Starr before they returned to Europe for the final 1982 sessions of the START [Strategic Arms Reduction Talks], INF [intermediate-range nuclear forces], and MBFR [mutual and balanced force reductions] negotiations, respectively. At that time, I outlined the following general principles which guide the formation of our arms control policies:

- Arms control must be an instrument of, and not a substitute for, a coherent security policy aimed in the first instance at the Soviet advantage in the most destabilizing class of weapons—ballistic missiles and, especially, intercontinental ballistic missiles (ICBMs). We will work for agreements that truly enhance security by reinforcing peace through deterrence.

- We must seek agreements that involve substantial and military significant reductions on both sides.

- Agreements must be based on the principle of equality of rights and limits.

- Arms control agreements must include effective means of verification. They cannot be based on trust alone.

- Our efforts will be guided by seriousness of purpose, reflected in our willingness to seek reduction to significantly lower levels of nuclear forces based on equal, balanced levels of comparable systems.

These principles are in full accord with the basic purpose of both U.S. and NATO security policy—ensuring the peace through deterrence of aggression. Deterring nuclear

or conventional attack against us or our Allies must guide our approach to defense and arms control. These principles also lie at the heart of the comprehensive and innovative arms control approaches which this Administration has adopted. In each of the three most important areas of arms control—strategic nuclear arms, intermediate-range nuclear forces, and conventional forces in Europe—we have presented to the Soviet Union bold and equitable proposals which are in our mutual interest and which provide an opportunity to enhance world security and peace by significantly reducing the arsenals of both sides.

In each of these three negotiations, the United States has presented considered and equitable proposals which seek to establish a military equilibrium at reduced levels, eliminate the most destabilizing factors in the existing military balance, and enhance the security of both sides. When our national security, and that of our Allies, is at stake, we must approach arms control realistically. We do not seek agreements for their own sake; we seek them to build international security and stability. This Administration's reductions proposals for strategic and intermediate-range nuclear forces and for conventional forces reflect this approach. We are encouraged by the serious and business-like conduct of these negotiations thus far. Although much hard bargaining lies ahead, I am determined to bargain in good faith until our objectives can be realized. We urge our Soviet negotiating partners equal seriousness of purpose.

The 1982 Annual Report not only includes details on all aspects of the three negotiations, but also refers to such other important elements of ACDA's responsibilities as providing expertise on both policy and technical levels for all other multilateral arms control negotiations, for our nuclear non-proliferation efforts, and for research and analysis of military budget and arms transfer.

RONALD REAGAN

¹Text from Weekly Compilation of Presidential Documents of Feb. 14, 1983. ■

Conclusion

I began these remarks by speaking of the peaceful resolution of conflict—be it between states or between nations—and I should like to close on the same theme. The path to peace in the nuclear age is the proven course I have outlined of deterrence and arms reduction. Those two concepts are complementary. Mutual arms reduction to lower but equal levels will reduce the risk of conflict and the level of arms needed to deter it in the first place. Admittedly, as the President said in his address to the nation, it is a sad irony that it "still takes weapons to prevent war." But our proposals for deep reductions will result in both diminished stockpiles and a diminished risk of war.

In seeking to ensure our security in the nuclear age, however, we should remember that peace is an aspiration, and it is not an aspiration unique to peace marchers.

Indeed, peace is the goal to which we all aspire. The President's policy for achieving that goal is one of deterrence, obtained through modernization, and arms reduction, obtained through negotiation. With our arms control proposals, we have already moved beyond the concept of a freeze and toward the higher goal of deep reductions and a lasting peace. We should not step backward now. ■

Department of State Activities in the Private Sector Area

In the past year, the Department of State has worked closely with the private sector toward achieving a number of foreign policy objectives. This cooperation is designed to encourage stability and economic growth abroad, especially in the developing world; to enhance free trade and investment flows; and to promote understanding and support for U.S. international policies.

Department officials have conferred directly with private sector representatives—particularly with business groups, nonprofit foundations, and universities—to elicit ideas on how the sector can strengthen, expand, and take on activities performed by the U.S. Government. The response has been extensive, varied, and encouraging—focusing on practical ways to reinforce and, in some cases, supplant government efforts. Implementation has taken place around the world.

The Caribbean

Because of our strong interest in economic and political well-being in the area, the Department has worked with the private sector and other U.S. Government agencies to formulate a Caribbean Basin initiative. Allied in this effort have been the Council of the Americas, Caribbean/Central American Action, the U.S. Chamber of Commerce, and other private sector organizations. The main thrust of the initiative is the generation of incentives for expanded trade and private investment for economic growth. Close contact with major U.S. firms interested in the Caribbean continues to engender promising initiatives ranging from feasibility studies for a regional trading company to solutions for traditional transportation bottlenecks in the area.

Latin America

As part of a broadened effort in Latin America, the Department, through the U.S. mission to the Organization of American States (OAS), has obtained an OAS resolution calling for a study of private sector involvement in all its programs, with the accent on increasing future involvement.

Asia

Links with the private sector are equally strong in Asia. Having been instrumental in the formation of the ASEAN-U.S. Business Council several years ago, the Department of State maintains a close working relationship with the council, helping to spark a number of programs directly helpful to our economic position in Asia. The Department has for some time conducted a series of joint action programs with the Asia Pacific Council of American Chambers of Commerce. It has also sponsored the formation of U.S.-Korean subcommittee level study groups to expand cooperation and solve problems in science and technology, investment, and fisheries by utilizing specific inputs from the private sector through "AmCham" committees. Similar activities are carried out with embassy encouragement in Japan, one typical project being an analysis of U.S. manufacturing investment in that country.

Africa

In Africa the Department takes a leading role in establishing bilateral business councils and chambers of commerce. The U.S.-Nigeria Business Council was established in March 1982 and held its first operating meeting in Washington in September. The purpose of the council is to provide a mechanism to solve practical problems between the business people of both countries and to influence government policies as needed. Through government-to-government dialogue and direct staff support, we assist the Joint Agricultural Consultative Committee, a group of prominent U.S. and Nigerian firms which promote agricultural joint ventures.

The Department has cosponsored with local business associations regional conferences in the United States to inform the public about opportunities in Africa. In addition, the Department's Bureau of African Affairs has participated with public affairs organizations in programs that engage academics, policymakers, and business in assessing the political and economic climate in Africa. The Department has also invited representatives of American business with long experience in less developed countries to symposia to discuss strategies for government and business

cooperation in promoting Africa's economic growth and development.

Worldwide Initiatives

On a global basis, the Department has made a concerted effort to identify ways in which the private sector might more effectively assist developing countries. We have conducted a dialogue with over 250 business organizations in the United States and with all Foreign Service posts in the developing world. Through this dialogue, we first elicited proposals from the private sector, then transformed ideas into actual working models. Sharing examples and information on this project stimulated further action from others. Programs for training laboratory technicians and other specialists in a variety of fields, inviting participants from developing countries to U.S. symposia and industrial conventions, expanding companies' overseas training programs, and distributing used or surplus equipment are but a few of the initiatives under this project.

The Department is also working with our executive directors at the Inter-American Development Bank, the Asian Development Bank, and the World Bank and with foreign governments to encourage greater dependence on the private sector in the development process. There has been progress in getting the multilateral development banks to involve American banks and other private institutions in cofinancing development projects and in contributing to growth in ways that supplement the efforts of the developing countries themselves.

A State Department official serves as a director on the board of the Overseas Private Investment Corporation (OPIC), a self-sustaining, semiautonomous agency of the U.S. Government which provides political risk insurance and financial services to encourage U.S. private investment in developing nations. In FY 1983, OPIC doubled its volume of insurance business worldwide and now insures over \$3 billion in U.S. private investment in the developing world.

DEPARTMENT

A Philosophy of Private Sector Initiative

Our many discussions with the private sector produced tactics and a strategy and also yielded a philosophy. Representatives from business and other organizations stressed that in order to be lasting and productive, activities should benefit both the American "giver" and the "receiver" abroad. As far as

possible, existing private sector groups and mechanisms should manage activities and programs. The government's principal role should be as a backstopper and reinforcer, as a supplier of information and, on occasion, of seed money to make possible a new initiative. In short, activities should be those in which all participants gain.

Press release 44 of Feb. 9, 1983. ■

Foreign Policy Planning Council Members Announced

Following is Secretary Shultz's statement of February 23, 1983, announcing the members of the Foreign Policy Planning Council.¹

One of the great challenges, I think, in working effectively in any active organization responsible for things that are going on and have to be administered and managed day-to-day and hour-to-hour is to find some way of standing back and thinking a little more broadly and strategically about what it is that you want to do, where you want to see things go.

Beyond that, of course, in the Department of State, there are different geographic and functional bureaus; and while the coverage of the world and the functions are pretty complete, nevertheless, there are always issues that cut across and are broader than any one unit finds naturally within its scope.

I find myself searching around for ways to contend with the tendency to be preoccupied with what is right in front of you each day, on the one hand, and to be sure that things don't fall between the cracks, and that we think broadly about our problems, on the other. There are a lot of devices for doing that in this organization or any other.

One is to take some time to scratch your head and think things over. Another, of course, is to have people in the various bureaus who have the capacity to think beyond the confines of the particular assignment that they have, and I believe we have people of that kind in the Department.

At the same time, it is useful to have some sort of institutionalized way for being sure that a broad perspective

is brought to bear and is available to everyone, and that's been recognized here in the Department of State for a long time. I had dinner last night with George Kennan. I guess he was the first—he was the first Director of the policy planning staff.

It has existed for a long time, basically for the reasons that I have outlined, and I guess it has sometimes been great and not so great other times. But, at any rate, the idea's been around for quite awhile.

As I, Ken Dam, and others have thought about it, it seemed to us that a good way to use the policy planning staff, and the concept there is to create a council; that is, to have a number of people of eminence, in a variety of fields, who were, in our thinking about it, council members; to have a chairman who's also a council member, of course, and who runs the staff; to have it set up so that there would be permanent people there. But also, it would be structured so that somebody could come in for 6 months and work on something and so on. So, last December we announced this idea.

Since that time we've been working to identify top-notch people to hold these positions. Today, we'll announce four people who will be council members.

• Mr. Jeremy R. Azrael, former professor of political science at—you guessed it—the University of Chicago.

He has both academic and government experience in the East-West relations and Soviet affairs areas. He'll be joining the Council from his present post in the Bureau of Politico-Military Affairs where he has been a senior adviser on the Soviet affairs area.

• Paul Boeker, a career minister in the Foreign Service. His orientation is in the economic area. He's had several key positions in international economic policy, including senior Deputy Assistant Secretary of State for Economic and Business Affairs in the Ford Administration. In terms of area expertise he would be a European and Latin American specialist.

• Robert Osgood, who's a prolific author. He's a Christian A. Herter Professor of American Foreign Policy at Johns Hopkins School of Advanced International Studies where, until 1979, he was also Dean. He was a senior staff member at the National Security Council (NSC) in the Nixon Administration. He will join the Council this summer.

• Peter Rodman, who has most recently been a Fellow in Diplomatic Studies at Georgetown University's Center for Strategic and International Studies. He was a member of the NSC staff from 1969 through 1977, and he participated in negotiations and thinking about a range of major issues and was very central in the drafting of policy statements by the President and the Secretary of State at the time; and has been a close associate of Henry Kissinger's.

Those are four outstanding people, each different, each with considerable power of intellect and perspective. I expect to meet with members of the Council individually and as a group, and to use them to help me in my own thinking about the directions in which we should be going. Steve Bosworth, of course, will be the ringmaster as well as a thinker himself.

¹Press release 63 of Feb. 25, 1983. (The Secretary announced the appointment of Stephen W. Bosworth as Chairman of the Council of Dec. 8, 1982.) ■

Developing an Enduring Relationship With China

by Paul Wolfowitz

Statement before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee on February 28, 1983. Mr. Wolfowitz is Assistant Secretary for East Asian and Pacific Affairs.¹

Developing a strong, stable, and enduring U.S.-China relationship is an important element of President Reagan's foreign policy. For compelling historical reasons, it has occupied a central place in the foreign policies of four successive administrations. We ought not forget that, in the more than two decades preceding the Shanghai communique, U.S.-China relations were predominantly hostile. China was a large and menacing power with which we maintained no human communication, cultural contact, or economic relations. We were at war in Korea; nearly came to war over Quemoy and Matsu; and supported opposite sides in Vietnam. Indeed, China actively supported guerrilla movements on the soil of many of our Asian allies and friends. We maintained at great cost a significant naval presence between Taiwan and the mainland at the same time that we faced a growing threat from the Soviet Union.

By 1972 it had become clear to the leadership of both sides that continuation of this hostile atmosphere was in neither country's short- or long-term interest and that our respective interests would be better served through a cooperative and productive relationship. The result was a reconciliation of historic importance. Developments during the 11 years since that time have demonstrated the importance of that reconciliation.

While I might cite many important changes in our relations, let me mention three particular instances that illustrate just how far we have come and what has been achieved.

- Perhaps nothing more dramatically illustrates the changes of the last 11 years than the fact that China has emerged as a major restraint on further Vietnamese aggression in Asia.

- As another important indicator of change, our economic relations have grown substantially. Our bilateral trade

with China has jumped from zero to a present figure of more than \$5 billion per year.

- Perhaps most important of all for the long-term strength of the relationship between ourselves and China, cultural relations and personal ties have resumed at many different levels. People-to-people contacts have virtually exploded, with nearly 10,000 Chinese students studying at American universities, 100 Chinese delegations per month visiting the United States, and over 100,000 Americans visiting China each year as tourists or in other capacities. These exchanges cannot help but bring to each of our societies increasingly sophisticated appreciation of the other.

There are other benefits I should mention. We no longer have to plan and spend to confront a Chinese threat. Our parallel interests in containing the Soviet Union have been repeatedly reaffirmed, and we are in fundamental agreement that the Soviets remain the principal threat to the peace of the world. We have common interests in containing not only Vietnamese aggression in Southeast Asia and encouraging a peaceful settlement of the Kampuchean problem based on Khmer self-determination, but also in resisting Soviet aggression in Afghanistan. We are able to maintain a useful dialogue with China on a wide range of important international problems of common concern. China has developed constructive regional policies and cooperative relations with our Asian allies. China has developed increasingly strong ties to the Western-oriented international economic system. Trade and investment opportunities for American business have grown tremendously; despite problems, East Asia has emerged as one of the more stable and prosperous regions of the world with China playing an increasingly responsible regional role. Even Taiwan has never been more prosperous, and the situation in the Taiwan Strait is peaceful.

Underlying Principles

These benefits have flowed over an 11-year period. They are an outgrowth of a wide variety of agreements that

have established the framework for an extensive relationship. Throughout this process, we have been guided by consistent adherence to three underlying fundamental principles and realities:

First, that China, with its many talented and resourceful people and with a sophisticated concern about global as well as regional problems, is already a significant factor in Asia and is destined to be an important element in international affairs in the future. It is a country with which we hope to be able to work with constructively and cooperatively for mutual benefit;

Second, that the United States and China share certain common and important international perceptions and concerns and that the development of U.S.-China relations serves the interests of both our peoples and the cause of peace and stability in East Asia and the world; and

Third, that progress in U.S.-China relations could be made without sacrificing the interests of our friends and allies in the region or our valued commercial, cultural, and other unofficial relations with the people of Taiwan.

Adhering to these fundamentals, in 1979 we negotiated a normalization agreement which established diplomatic relations between the United States and China and under which it was understood that, henceforth, commercial, cultural, and other contacts with the people of Taiwan would be conducted on an unofficial basis. Both sides, reflecting the importance they placed on good relations and their confidence in the relationship's evolution and progress, chose to move ahead with normalization even though not all of their differences had been resolved.

Among the differences left unresolved by the normalization communique was the question of arms sales to Taiwan. In the August 17 joint communique of last year, we addressed this difficult matter. The communique, which was the result of 10 months of negotiations, does not settle the issue but does provide a framework for managing our differences with the Chinese over a matter of great sensitivity to us both. The negotiating process, however, which was intense and difficult, placed a considerable strain on the relationship, and it created a long hiatus in high-level contacts and exchanges—a part of our relationship with China that is particularly important for allaying suspicions. We

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needed to clear the air to revive confidence that the relationship would progress as we wished.

Secretary Shultz's Visit to Beijing

Thus, the Secretary's objectives in visiting Beijing [February 2-6, 1983] at this time were to put U.S.-China relations back on a stable, realistic footing; to resume the process of building the essential elements of confidence and trust; to continue our dialogue on important international issues; and to address openly and honestly the various bilateral issues that were commanding attention on both sides.

The atmosphere in which the visit took place was very good, which is itself an indication of the value both sides place on the relations. Secretary Shultz had 9 hours of intense, substantive, and constructive discussion with Foreign Minister Wu Xueqian, as well as extensive talks with a range of other Chinese leaders including Premier Zhao Ziyang and Chairman Deng Xiaoping. Secretary Shultz presented U.S. positions forthrightly, at the same time that he earned Chinese respect and public compliments for what the Chinese called "his patience in listening to the views of others." Foreign Minister Wu was equally candid in stating his government's position on

not help but be impressed with the serious, constructive, and realistic approach the Chinese leadership took to a wide variety of key issues.

On the Soviets—the Chinese impressed us all with their realistic approach and their recognition of the continued threat posed by Soviet expansionism.

On Afghanistan and Kampuchea—we share common assessments of the situations and discussed these issues in depth. We welcome Chinese support for the ASEAN [Association of South East Asian Nations] position calling for Vietnamese withdrawal; an independent, peaceful, neutral, and nonaligned Kampuchea; and a Soviet withdrawal from Afghanistan. The Chinese were equally appreciative of our policies.

On the Middle East—while there are important differences, we agree on the goal of a just and stable peace in which all parties can survive and prosper. Our differences are in how best to achieve peace in the region, not on its desirability or on Israel's basic right to exist.

On southern Africa—despite important differences on strategy, we do not disagree on the desirability of Namibian independence from South Africa or on the desirability of the withdrawal of Cuban troops from Angola. The

enough to us—and it seems also to the Chinese—that we will work hard to manage those differences in a way that preserves our focus on our strong interest in bilateral and international cooperation.

The Secretary's visit was not intended to, and did not attempt to, renegotiate or go beyond the August 17 communique, or any previous communiqués we have negotiated with China about Taiwan. But the Secretary did reassure the Chinese that, consistent with our intent to rebuild mutual trust and confidence, we will faithfully carry out the policies we enunciated in those communiqués. The Secretary and the President have made clear that we will adhere to the communiqués that we and previous administrations have negotiated, and we are confident that the Chinese will do the same. That is the key, I believe, to managing effectively our differences over Taiwan. At the same time, we have consistently made clear to the Chinese that we have a deep interest in the well-being of the people of Taiwan, as reflected in the Taiwan Relations Act, and will continue the productive, unofficial relationship we have with them.

We also have differences on some other matters of bilateral concern. During Secretary Shultz's visit, we had a variety of differences and disagreements with which to deal. Indeed, it is inevitable, as relations mature and develop, and as trade and exchanges advance and multiply, that the attendant bilateral problems grow progressively more complex. This is especially the case for two countries such as ours which maintain such fundamentally different systems.

Some of our remaining bilateral problems are born of the progress we have made. The technology transfer issue is a good illustration of a problem born of progress. Since 1979, and particularly under this Administration, a great effort has been undertaken to facilitate Chinese access to advanced American technology. Licenses issued have gone up 300% in the last 3 years, reaching 1,700 in 1982. The Secretary made clear to the Chinese that we intend to support their modernization efforts and will continue to provide them with a broad range of American technology from agricultural know-how to advanced scientific information. Most of these items are not subject to export controls. We intend to administer our regulations in a manner that supports China's development and maintain only those restrictions that are necessary for

... despite problems, East Asia has emerged as one of the more stable and prosperous regions of the world with China playing an increasingly responsible regional role.

the various matters discussed, and there was a useful exchange both on points of agreement and difference. Indeed, the constructive and substantive relationship that the Secretary and the Foreign Minister established was one of the more useful results of the visit.

The two men succeeded in restoring the international dialogue to its rightful place in the relationship. It was a dialogue of high quality, proving that, while China may not yet be among the world's wealthiest nations, it is among the more sophisticated, with a decidedly global approach. Our delegation could

Secretary held in-depth discussions with Premier Zhao and Foreign Minister Wu who had just returned from a month-long trip to Africa and were willing to provide us with the benefit of the views and insights they brought back.

On arms control—we were able to clarify for the Chinese the U.S. position and reassure them that we have the security of East Asia in mind as we address the issue.

On Taiwan—we continue to have some differences over Taiwan. However, the relationship with China is important

U.S. Relations With Europe and Ties to NATO

by Richard Burt

Statement before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee on March 7, 1983. Mr. Burt is Assistant Secretary for European Affairs.¹

In the past few months, we have maintained an especially intensive dialogue with our European allies. Both the Vice President and the Secretary of State have recently undertaken extensive consultations with Europe's most important leaders. Despite reports to the contrary, both were struck by the fundamental vitality of the transatlantic relationship.

My own impressions are of the same nature. They differ sharply from the talk one hears these days about a new and dangerous rift in the Western alliance over economic and security issues. The challenges facing us are, indeed, important, even fundamental, to the future of the alliance. But the debate which accompanies these challenges is over ways and means of achieving our common goals of prosperity, security, and peace with justice; it is not over basic values or interest.

I believe it is also important to keep in mind that many of our current difficulties can be traced to the global economic recession from which we are now beginning to emerge. This recession has been the most severe in the postwar period. It has limited the ability of all Western governments to meet defense goals, and it has strained our common commitment to free trade. The fact that we are coming through this recession with our relationships intact demonstrates once again the underlying strength of Western institutions.

Alliance Consultations

An alliance of free nations can endure only if its undertakings can be harmonized with differing national perspectives and attract public understanding and support. We pursue this consensus through a never-ending process of consultations. One should not mistake the process of consensus-building for disarray or weakness.

In reality our relations with Western Europe reflect a remarkable shared

commitment to common ideals and objectives. This emerges in both day-to-day conduct of business and in our consultations at the highest levels. The informal meeting of allied foreign ministers at La Sapiniere in Canada last October provided impetus for resolving the pipeline dispute and establishing a process for reaching a consensus on the main elements of East-West economic relations. In Europe last December, Secretary Shultz built on that consensus and achieved agreement on a program of studies which will help us give concrete expression to a Western policy on economic relations with the East over the longer term.

At the meeting in Canada, at the December NATO ministerial in Brussels, and in intense consultations here and abroad, the Secretary has found strong European support for our approach to East-West security issues, including the President's arms control program. He also has found a deep commitment on the part of our allies to resolving any differences, fairly and with good will, through our transatlantic consultative mechanisms, such as NATO, our discussions in various forums with the European Communities, the Organization for Economic Cooperation and Development (OECD), and the Coordinating Committee for Multinational Security Export Controls (COCOM).

Intermediate-Range Nuclear Forces

The value of our intense consultative process on both the deployment and negotiation aspects of the 1979 NATO decision on intermediate-range nuclear forces (INF) was reflected in the continuing allied resolve and unity demonstrated during Vice President Bush's trip to Europe last month. The Vice President presented our assessment of the negotiations and listened carefully to what our allies had to say. The result was virtually complete accord on what we are trying to achieve and what is necessary for a satisfactory agreement. Most importantly, the Vice President was able to dispel a number of myths about the alliance's two-track decision which have confused publics in Europe and the United States. These

national security purposes. We encouraged the Chinese to consider the vast range of items made available in the past few years, to appreciate how far we have come in this important area, and to work together in streamlining both their bureaucracy and ours in order to foster smoother interaction between our two economies.

We did not seek to resolve the textile problem during this brief visit. However, we were able to clarify approaches and, with goodwill and mutual efforts, we should be able to arrive at a satisfactory agreement. We hope for an early resumption of negotiations leading to an eventual settlement.

Some of the bilateral difficulties now plaguing U.S.-China relations may be said to stem from an insufficient understanding of our differing legal systems and societies. The Secretary urged the Chinese to learn more about how our system operates, offering to facilitate Chinese efforts to do so. As an example, we will send a briefing team to Beijing to explain our legal system to relevant officials there.

In looking back over the events of the last month, as well as the rapid progress of U.S.-China relations over the past 11 years, it is noteworthy that both sides, despite the peaks and valleys that have characterized various episodes in the relationship's development, continue to place high value on it, wish to preserve what has been accomplished, and move forward where possible and mutually beneficial. As the Secretary noted to the Chinese, enduring relationships more often emerge from a process of working out satisfactory arrangements for seemingly intractable disputes than from choosing to deal only with the easy problems.

Given the progress made thus far and the undeniable benefits to both sides, it is clear that there will be no turning back. Some difficult problems lie ahead in U.S.-China relations. We intend to deal with them fairly and openly and not take the relationship for granted. With goodwill, appreciation of the value of the relationship, adherence to our basic principles, and Chinese reciprocity—for good relations are a two-way street—the prospects for further progress are encouraging. The stable and enduring relationship we seek are important to the healthy economic growth we all desire and make an important contribution to regional stability and world peace.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

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myths are, in part, the result of the enormous Soviet propaganda campaign directed at dividing the Atlantic alliance and decoupling Europe from the U.S. nuclear guarantee.

The debate over INF is not over. People in Europe are concerned about nuclear weapons issues, as they rightly should be. No other issue is of more importance in our time. The President has a deep, personal commitment to achieving an arms reduction agreement at the negotiations in Geneva on intermediate-range nuclear forces. We and our allies are in full agreement that our proposal for the complete elimination of the entire class of longer range, land-based INF missiles remain the best and most moral outcome. We are negotiating in good faith, and ours is not a take-it-or-leave-it proposal. Our negotiations in Geneva are premised upon sound principles.

- The only basis on which a fair agreement can be reached is that of equality of rights and limits between the United States and the Soviet Union.

- As a corollary, British and French strategic systems are, by definition, not a part of these bilateral negotiations and, therefore, not to be considered in them.

- In addition, Soviet proposals—which have the effect of shifting the threat from Europe to Asia—cannot be considered reasonable.

- As in all areas of arms control, it will be essential that an INF agreement be underwritten by effective measures for verification.

While we continue our negotiations, we are making a major effort to better inform our publics about the INF issue. As more people on both sides of the Atlantic learn more about what the Soviets are doing, rather than what the Soviets are saying, they are realizing that the West must remain united behind the NATO decision if Moscow is going to have any incentive to negotiate an equitable agreement.

In sum, transatlantic consultations are functioning effectively. We should not be overly concerned about inevitable differences of view on some issues, and we should expect and welcome scrutiny of our policies and actions by publics on both sides of the Atlantic. The alliance has repeatedly shown that it is as resilient as the peoples and institutions which it protects.

European Integration

In the past several years, we have seen further progress on the long road toward West European integration. The 10 members of the European Community (EC) are seeking to expand their collective influence in world political as well as economic affairs. This is a process which we have long supported and will continue to support. Through it, the EC is playing an increasing role in addressing the West's global concerns. We view this greater European activism on the world stage as a positive development.

In expanding their cooperation on political matters, the EC countries have begun to search for common positions on security issues which also concern NATO. They have been careful to insure, however, that questions of defense are left to NATO. The EC does not have, and does not foresee acquiring, an independent defense capability. Our partners clearly understand that the Atlantic alliance is the vital underpinning of Western security.

Conventional Defense Issues

Last June at the NATO summit, allied leaders agreed to a series of initiatives to improve NATO's defense capability. These included an emphasis on improving burdensharing within the alliance, applying emerging technologies to conventional defense, a renewed effort to restrict the transfer of militarily relevant technology to the Warsaw Pact, and recognition that the threat to allied interests outside of the NATO treaty area must be deterred.

Allied defense spending generally is the only sector of European budgets that has not been cut as a result of the economic recession. Many allies still register defense budget growth in real terms, some at significant levels. New and affordable technologies offer the alliance an opportunity to multiply the effectiveness of conventional forces. Within NATO work is going forward to identify the most promising of these technologies with an eye to accelerating their deployment through allied defense industrial cooperation.

While progress is being made in improving allied contributions to the common defense, recent U.S. legislation has caused our allies to question the extent of the U.S. commitment to NATO. For the first time, Congress has legislated a limit to the number of U.S. troops stationed in Europe. Production funds have

been eliminated for the Pershing II and cut from the cruise missile program. There is no money for the U.S. share of jointly funded programs with our allies for the storage of military equipment in Europe and for allied support personnel dedicated to U.S. reinforcements. Efforts to improve weapons standardization and reduce costs through greater allied defense industrial cooperation must contend with such "buy American" provisions as a specialty metals amendment. Initiatives such as those ought to be reconsidered and reversed; raising doubts about America's commitment to the alliance and to constructive relations with the allies will only weaken NATO and detract from the security we seek to promote.

Poland's Debt

DEPARTMENT STATEMENT, MAR. 3, 1983¹

We understand the official position of the Polish Government to be that it wishes to meet its debt obligations, although it admits it cannot make all payments due. In fact, Poland has been paying only a small fraction of interest due on official debt obligations while maintaining its professed desire to meet obligations under a rescheduling agreement. Western government creditors, including the United States, have refused to reschedule Poland's 1982 official debt obligations in protest over the imposition of martial law in Poland. A substantial net outflow of payments from Poland to private and other creditors has continued, however.

While calling the Poles into formal default remains an option, it would not force the Polish Government to pay its debt arrears to the West and might lead to an illegal debt repudiation by the Poles.

The implications of the European Community (EC) statement are not clear. We understand the EC wants to consult with the other Polish creditor governments in the near future. We do not wish to speculate on the EC position before such consultations.

¹Made available to news correspondents by Department spokesman John Hughes. ■

Trade Issues

The world recession has put an enormous strain on the world trading system. Nowhere has this been more evident than in the case of agricultural trade, where the United States is a large and efficient producer, and the EC countries have long subsidized inefficient farmers. This has permitted the EC recently to become a major competitor in the world market for agricultural goods. Our farmers are naturally concerned. We are trying to resolve this problem in a way which is fair to U.S. farmers and which preserves a liberal and open trading system. It will be a difficult but not impossible task, and I draw encouragement from the success we had last October in negotiating a mutually successful arrangement on steel trade. The United States and the EC were able to work together in that instance to resolve a vexing situation. We are both committed to a similarly cooperative approach on the agricultural trade issue, and we have already had several high-level rounds of talks.

East-West Relations

Our approach to East-West relations must, of course, take into account that the Soviet Union is in the midst of its first leadership transition in 18 years. Upon his accession to the post of General Secretary, Yuriy Andropov inherited from his predecessor a mixed legacy of impressive gains in foreign and domestic policy and a host of pressing problems.

On one side of the ledger, the Soviet Union, during the Brezhnev period, emerged as a global military power with a modern and massive military arsenal and a global network of friends, allies, and client states that enabled Moscow to challenge Western interests around the world. On the domestic scene, unprecedented stability was maintained within Soviet society and the ranks of the Communist Party, and slow but steady growth was made in the civilian economy.

At the same time, these accomplishments of the Brezhnev period carried within them the seeds of the policy dilemmas which now confront his successors. The unprecedented military buildup and geopolitical expansionism of the Brezhnev period generated a strong, if belated, American response and ultimately raised the risk for the Soviet

Union of imperial overextension in places like Afghanistan. The domestic stability of the Brezhnev era ultimately degenerated into immobility as the politics of consensus became increasingly inadequate to deal with mounting economic problems and the deep-seated malaise of Soviet society. Thus, by the time of Brezhnev's death, the new Soviet leadership faced a set of mutually reinforcing foreign and domestic problems as severe as that confronted by any Soviet leadership since the death of Stalin.

Internationally, detente with the United States—which was the centerpiece of Brezhnev's foreign policy—has collapsed, and a more confident and assertive Administration has taken charge in Washington. Despite an unprecedented Soviet "peace offensive" in Western Europe, NATO remains united in its determination to follow through on the two-track alliance decision on INF. At a time when its own resources are under greater strain, the Soviet Union must cope with continuing discontent

and potential instability in Eastern Europe and a stalemated war in Afghanistan. Farther afield, the burdens of empire continue to grow as Soviet-supported regimes in Africa, Asia, the Middle East, and Latin America seek to cope with a host of challenges, many of their own making.

At home, economic growth rates continue to decline, threatening the regime's ability to maintain growth in defense capabilities without cutting living standards. On this political side, the advanced age of the top leadership group suggests that we may be at the beginning of a necessarily far-reaching transition in the Soviet leadership over the next decade.

It is too early to make any definitive judgments about the approach which Andropov and his colleagues will take to these problems. Andropov almost certainly played a major role in the personnel shifts made since Brezhnev's death, which appear to be aimed at putting in place a network of younger and possibly more energetic supporters capable of in-

12th Report on Cyprus

MESSAGE TO THE CONGRESS, JAN. 27, 1983¹

In accordance with the provisions of Public Law 95-384, I am submitting the following report on progress made during the past 60 days toward reaching a negotiated settlement of the Cyprus problem.

The intercommunal negotiations between Greek Cypriot and Turkish Cypriot representatives recessed from December 4 until mid-January, a period during which the United Nations Secretary General's Special Representative, Ambassador Gobbi, visited New York and Geneva on U.N. business.

On December 1, U.N. Secretary General Perez de Cuellar submitted his latest semi-annual report on Cyprus to the Security Council. In the report, a copy of which is attached, the Secretary General reviews progress in the peacekeeping operations of UNFICYP and in the parallel humanitarian assistance programs. He also reports the intercommunal negotiations continue to focus on the "evaluation" previously submitted by Ambassador Gobbi to the two sides. This approach, the Secretary General reports, is the best means available to provide a "structured, substantive" method of discussing the differences. He states further that the discussions "remain cooperative and constructive" and that the interlocutors, having essentially completed discussion of constitutional issues, will now focus on territorial matters. Perez de Cuellar observes that the task of developing "an overall package deal" should

be undertaken soon in the talks and that he is confident that, "with the political will" on both sides, such a package can be accomplished.

Subsequent to the Secretary General's report, on December 14, the Security Council voted unanimously to extend the mandate of the U.N. forces in Cyprus until June 15, 1983.

We fully concur with the Secretary General's assessment. We remain in very close touch with him, his staff, and, in particular, with Ambassador Gobbi. During the period the Special Cyprus Coordinator, Christian A. Chapman, visited New York twice to discuss the situation with senior U.N. officials. At present we, the U.N. officials, and the parties to the negotiations doubt much progress can be made during the present electoral campaign in Cyprus. The possibilities for progress should improve, however, after the February 13 election.

This Administration continues strongly to support efforts to find just and lasting solutions for the serious problems facing the people of Cyprus.

Sincerely,

RONALD REAGAN

¹Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Charles H. Percy, chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of Jan. 31, 1983.) ■

suring execution of his policy once it is more fully developed. These personnel changes have been more numerous than Khrushchev's or Brezhnev's at comparable stages in their incumbencies, but they are still essentially limited in scope as Andropov functions within a basically unconstructed Politburo.

With regard to policy, the hallmark of Andropov's first 100 days has been continuity in both the domestic and foreign arenas. In domestic policy, Andropov has been extraordinarily frank in public about Soviet economic difficulties and the need for greater discipline throughout the economy. This theme has been implemented in policy through a campaign to enforce labor discipline on the shop floor and to replace a number of officials in the economic bureaucracies. These dismissals have been accompanied by an anticorruption campaign in the Soviet media.

Beyond this clear determination to administer a dose of discipline to the ailing Soviet economy, Andropov has revealed little of whatever longer term plans he may have for getting the country moving again. This may reflect caution in the face of the extremely formidable structural and bureaucratic barriers that would impede any effort at far-reaching and meaningful reform of the Soviet economy. It may also reflect Andropov's desire to solidify his own political position before staking out a more innovative policy position. Whatever the reason, there is little evidence yet to suggest that Andropov and his colleagues are ready to undertake important reforms of the Soviet economy.

In foreign policy, the emphasis has also been on continuity. The number one objective of Soviet policy remains to derail INF deployments in Europe. We can expect the Soviet anti-INF campaign to accelerate now that the German elections are over. While the primary focus of Soviet arms control propaganda is INF, Moscow's larger objective is to complicate and, if possible, undermine our efforts to rebuild Western military strength. However, as we make clear that in the absence of an acceptable agreement, we will not be diverted from our INF goal, the Soviets may negotiate more seriously. We are hopeful that this will prove to be the case.

In the Far East, the Soviets continue to seek greater maneuver room through their talks with China—the second round of which has just begun. Although neither side in these talks seems inclined to make concessions that would open the way for substantial movement forward in the dialogue, the Soviets almost certainly view this process as positive and will seek to keep it going.

Moscow has not been able to achieve even a modest degree of improvement in its relations with Japan. Indeed, the heavy-handed public threats made by Soviets following Prime Minister Nakasone's visit to the United States have further damaged Soviet-Japanese relations. The mounting Soviet military capability in East Asia and the Pacific only reinforces this posture of intimidation.

The new Soviet leadership has as yet developed no new discernible strategy for dealing with the dilemma of Afghanistan. The Afghan resistance continues to fight with courage and resourcefulness and to deny the Soviets a victory on the ground. Internationally, the occupation remains a major impediment to improvement of Soviet relations with the Islamic world and with the West, including the United States. Beyond strengthening its existing military supply and assistance relationships with Syria, the Soviet Union remains on the sidelines in the Middle East as U.S. diplomacy seeks to move the region toward peace.

U.S. Policy

The Soviet record of the past decade compels us to be realistic and sober in our calculation of our policy toward the Soviet Union, and particularly in our assessments of prospects for an improvement of relations. At the same time, it would be unrealistic and shortsighted of us to exclude the possibility of a change in Soviet behavior that would make an improvement in relations possible, particularly as a new Soviet leadership wrestles with its policy options. If in these circumstances Andropov and his

colleagues encounter a firm and united West under revitalized American leadership, there is a possibility that progress can be made toward a real and lasting reduction of East-West tensions. At the same time, it is essential that we demonstrate the will and the capacity to correct the military imbalances which have been created by the Soviet military buildup of recent years.

With regard to regional issues, we do not seek to prevent the Soviet Union from pursuing its foreign policy, but we do insist that it do so within established rules of international law and with the restraint expected of a major nuclear power. Against the background of expansionism by the Soviet Union and its allies over the past decade, we must insure that we follow through on security commitments made to our Third World allies and friends. In addition, we must continue to seek regional settlements, as in the Middle East and southern Africa, where conflicts would otherwise provide fertile ground for the expansion of Soviet influence.

The fundamental difference between U.S. and Soviet societies is nowhere more apparent than in the area of human rights. Our objective is clear: to encourage Soviet fulfillment of the obligations which it freely assumed under the Helsinki Final Act and other international agreements on human rights. We will also continue to speak out on the Soviet human rights record, for to fail to do so would be neither morally defensible nor effective in supporting those Soviet citizens who risk repression in the cause of human rights.

In all these areas, as well as in the U.S.-Soviet bilateral relationship, we are prepared for an improvement in relations on the basis of the comprehensive agenda we have established over the past 2 years. At the same time, we must make a clear distinction between words and actions. It is up to the Soviet leadership to determine whether its interests lie in the direction of changes in Soviet behavior that would make possible a meaningful and lasting reduction of tensions. If so, the Soviet Union will find a ready partner in the United States.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Austrian Chancellor Kreisky

Chancellor Bruno Kreisky of the Republic of Austria made an official working visit to Washington, D.C., February 2-4, 1983, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and Chancellor Kreisky after their meeting on February 3.¹

President Reagan

You know, of course, that our guest here today has been Chancellor Kreisky of the Republic of Austria. And in the course of our meeting in the Oval Office and our working lunch today, Chancellor Kreisky and I have had the opportunity to discuss two areas of the world that are vital to the maintenance of peace and human dignity—the Middle East and Poland.

The Chancellor is a man of extensive experience in international affairs. And I'm pleased that I was able, like the seven American Presidents before me, to have the opportunity to exchange views with him. Our bilateral relationship with Austria remains close and cooperative.

And I was also pleased today to be able to tell him and to have his immediate approval of my intention to nominate as our next Ambassador to Austria Helene von Damm, who has been with our Administration from the very beginning.

It's been a pleasure to welcome Chancellor Kreisky to Washington again and to reaffirm our friendship with the Austrian people.

(White House photo by Karl Schumacher)



Chancellor Kreisky

I am very happy that today I had this opportunity for an exchange of views with you.

The relations between the United States and Austria are completely without frictions. They are characterized by long lasting friendship between the two peoples and by close cooperation between the two governments.

Austria today, at the time when it is prosperous and in a good position, is still

grateful for all which has been done during more than 35 years by the United States. And all this has established an unshakeable friendship which connects the great democracy of the United States with the small Republic of Austria.

I am extremely grateful to tell you that the Austrian Republic and the government and the federal president would be happy to see Mrs. von Damm in Austria as the next Ambassador of the United States.

¹Text from White House press release. ■

Visit of Norwegian Prime Minister Willoch



White House photo by Jack Kightlinger

Prime Minister Kaare Willoch of Norway made an official working visit to Washington, D.C., February 16-18, 1983. Following are remarks made by President Reagan and Prime Minister Willoch after their meeting on February 18.¹

President Reagan

I can tell you that I'm very pleased—and we all are—with the meetings that we've had with Prime Minister Willoch. Norway and the United States enjoy close ties that long predate our alliance, and it's always a happy occasion when we find a friend like Prime Minister Willoch paying us a visit.

Our discussions today come at a critical time for our alliance, a time when it's more important than ever for freedom-loving people on both sides of

the Atlantic to reaffirm their shared security interests. For our part, I assure the Prime Minister of a firm American commitment to the preservation of peace and freedom and of our continuing efforts in coordination with our allies in the North Atlantic Community to achieve reductions in the military arsenals of both the East and the West.

The Prime Minister and I also discussed general NATO security issues and the importance of Norwegian energy supplies to the West. Our talks on all these matters were positive and upbeat, as was our discussion of the international economic issues.

I'm deeply impressed that in these challenging times Norway and the United States—two long-time friends—continue to have strong commonality of interests. I hope that Prime Minister Willoch found the visit as useful as I did, and I look forward to maintaining a close and friendly relationship that is traditional between the leaders of our people and our two countries. It's been good to have you here.

Prime Minister Willoch

I would first like to thank you for your gracious words. My visit to Washington, my discussions with a number of the American leaders, and of course, in particular, the meeting with you today has, indeed, been very, very useful to us. And I would like to add that we feel here, as we felt in Minnesota earlier this week, how close our two nations are.

I have had the opportunity to present Norwegian views on a number of problems facing us today. The most important current issue is the question of disarmament and arms control, and in particular, the Geneva negotiations.

The Western goal remains clear. We want to reach a balance of forces in Europe with as few nuclear weapons as possible. The zero option with no intermediate nuclear weapons on either side is the optimum outcome. We know that the United States will make all possible efforts to get an agreement with the Soviet Union as close to this optimum as possible. And to achieve this, it is of the utmost importance that the allies stand united.

We also had the opportunity to discuss a number of other issues, as the President mentioned. We discussed, among other issues, the economic outlook and the possibilities for improved international cooperation to achieve a revival of our economies and a reduction of unemployment.

I wish to thank you once again wholeheartedly for your kindness and for all the useful discussions we have had.

¹Text from Weekly Compilation of Presidential Documents of Feb. 21, 1983. ■

Visit of Queen Elizabeth II

Her Majesty Queen Elizabeth II made an official visit to the United States February 26-March 7, 1983.

Following is an exchange of dinner toasts between President Reagan and Her Majesty at the De Young Museum in San Francisco on March 3.¹

President Reagan

Your Majesty, I welcome you this evening on behalf of the American people and, in particular, on behalf of the people of my home State of California. [Applause] We're honored by your presence in our country and in this State.

It's fitting that this evening's banquet should be held in this place and in this city. The De Young Museum is one of America's great cultural landmarks. And thanks to Her Majesty's graciousness, we will soon have Leonardo da Vinci's horse drawings—some 50 of them—from the Royal Library of Windsor Castle that will be touring the United States. [Applause] From November 1985 through February 1986, they will be on view in the California Palace of the Legion of Honor. The tour was organized by the Fine Arts Museums of San Francisco, the National Gallery of Art of Washington, and the Art Institute of Chicago.

That particular tour and this cultural landmark that we're in tonight reflects the diversity of our people who have built a unique nation from many cultures on the firm foundations of democracy and law which, in large measure, we inherited from Britain. It represents a dedication we share with our British cousins: the peaceful furtherance of art and science for the enrichment and progress of all mankind.

It's also appropriate to recall that, in a special way, San Francisco, which has become home to so many different people, represents the culmination of our nation's great wartime alliance. Of course, the local links to great Great Britain go back much further. One of the first titled tourists to visit this area, Sir Francis Drake, arrived long before the city did. Not only was there no room at the inn, there was no inn. [Laughter] But its greatest hours came centuries later. In August of 1941, President Roosevelt and Prime Minister Churchill



(White House photo by Mary Anne Fackelman)

set down in the Atlantic Charter their hope "to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want."

And almost 4 years later in this city, America, Britain, and 44 other nations formed the U.N. Organization as a means of putting those great principles of the Atlantic Charter into practice.

Unhappily, subsequent events have continued to put our values and our ideals to the test. We have seen continued war, terrorism, and human oppression in too many quarters of the globe. We are challenged to restrain and reduce the destructive power of nuclear weapons. Yet we must maintain our strength in the face of the enormous military buildup of our adversaries. And, nationally and internationally, we face the challenge of restimulating economic growth and development without rekindling inflation.

All this, we can do. We will find the strength to meet these dangers and face these challenges because it beats within the hearts of free societies and free men. We need only look about us for inspiration. This beautiful city and this great State testify to the power and the vision of free men inspired by the ideals

and dedication to liberty of John Locke, Thomas Jefferson, John Stuart Mill, and Abraham Lincoln.

In the words of a great American and warm friend of Britain, Franklin Roosevelt: "The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith."

Happily and conscious of the honor that is ours tonight, I ask you to join me in a toast to Her Majesty the Queen.

Her Majesty Queen Elizabeth II

Thank you for the very kind things you have said tonight. It is only 9 months since we had the great pleasure of having you and Mrs. Reagan stay with us at Windsor. Now we have had the memorable experience of visiting you in your home State of California and of seeing your ranch at Santa Barbara. I knew before we came that we have exported many of our traditions to the United States, but I had not realized before that weather was one of them. [Laughter. Applause] But if the climate has been cool, your welcome and that of the American people have been wonderfully warm. We are very grateful for your charming hospitality and for the generous reception we have had everywhere since our arrival in California last week.

The past few days have been a vivid and sometimes poignant reminder of the human drama and achievement which

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account for the greatness of America today. We have seen some magnificent technological achievements: the space shuttle which has begun to turn the adventure of space exploration into the equally adventurous but more tangible reality of scheduled space travel; Silicon Valley which has brought the world of yesterday's science fiction into today's home office, and classroom, and into Buckingham Palace too. [Laughter]

This image of the United States at the forefront of technological invention is one of which you are rightly proud as we are proud of our continued inventiveness in an era of pressing competition. But the miracle of the space shuttle or of the silicon chip lies not in the wizardry of electronics but in the genius and shared dedicated determination of men and women. That is what speaks loudest in California.

I think of the families who struggled against impossible odds leaving their dead in places whose names still bear witness to their desperation to make their way to the west coast. In today's prosperity, their fortitude is often overlooked. But it is their character and courage which have permeated each succeeding generation.

I have seen that courage at work for myself this week as many California families have coped with the hardship brought by the storms and tornado which have hit this State so hard.

Prince Philip and I made a memorable visit to your country in 1976 to share with so many Americans in celebration of your bicentenary. Nineteen eighty-three marks another bicentenary—the signing of the Treaty of Paris, formally bringing the War of Independence to an end.

Two years before that, British troops had marched to surrender at Yorktown to the tune of "The World Turned Upside Down." So it must have seemed to men at that time. But what would our world, 200 years later, be like if theirs had not been turned upside down?

Since then, the hand of friendship has reached out from your shores and ours at critical periods in our history to insure not just our own survival but the survival of freedom itself.

In 1939 my father was the first reigning British sovereign to visit America, and he and President Roosevelt talked long and earnestly about the coming crisis. At the end of their visit, Mrs. Roosevelt wrote that "in time of danger," as she put it, "something deeper comes to the surface and the British and we stand firmly together with confidence in our common heritage and ideas."



(White House photo by Michael Evans)

At the President's ranch.

By far the most important idea which we share is our belief in freedom, as you made clear in your speech at Westminster last year. It is an idea whose power is such that some men will go to a great length to suppress it as others will to keep it alive, as our two countries have fought to keep it alive.

We are deeply grateful for the unstinting contribution of the United States to the maintenance of the Western alliance. For our part, no one who knows the British and their history could have any doubt about our steadfastness as an ally or our willingness to stand up in defense of the values which we hold dear.

I say that not to strike a solemn note but to state a simple truth. We have had a visit which has been spectacular and has fulfilled a longstanding ambition on my part to visit California on the west coast. What better time than when the President is a Californian. [Laughter]

We have enjoyed ourselves and greatly appreciate the warmth of your hospitality. What will remain afterwards is more significant—the cementing of a relationship. From time to time, friendships must be publicly reaffirmed. My visit has given me the opportunity to reaffirm the ideals which we share and the affection that exists between our peoples without which the formalities of alliance would be meaningless but from the certainty of which our two countries continue to draw strength.

I raise my glass to you and to Mrs. Reagan, to the friendship between our two countries, to the people of California, and to the people of the United States.

¹Text from White House press release. ■

Human Rights Progress in El Salvador

by Elliott Abrams

Statement before the Senate Foreign Relations Committee on February 2, 1983. Mr. Abrams is Assistant Secretary for Human Rights and Humanitarian Affairs.

**ASSISTANT SECRETARY ABRAMS,
FEBRUARY 2, 1983**

I welcome this opportunity to appear before you today to discuss the human rights situation in El Salvador. As the information we have submitted to the committee indicates, we believe the human rights situation in El Salvador has improved over the last 6 months. Nevertheless, it is still the case that political violence is extraordinarily widespread in El Salvador. Innocent civilians are losing their lives there. This being the case, the human rights situation in El Salvador necessarily confronts us with a troubling question: In view of the human rights violations occurring there, what is the justification for American military assistance to the Government of El Salvador? Why not cut off this military assistance and disassociate ourselves completely from the human rights violations in that country?

In establishing the certification process, Congress has set certain preconditions for our military assistance. We believe that these conditions have been met. The behavior of the Salvadoran Armed Forces is better than it was 6 or 7 months ago; the overall level of violence continues to decline; the land reform program is proceeding; political reform is underway. But these conditions of certification, though they permit aid, do not compel it. I hope we will look today not only at the narrowly defined terms of the certification but beyond those terms to the overall situation in El Salvador. We must do so to achieve any coherent view of American interests in that country.

El Salvador is a country with little tradition of moderate, democratic, reformist politics but with a long history of poverty, repression, military rule, violence, and fear. Today there are two realities which exist side by side in El Salvador: violence and reform. It is noteworthy that the conditions for certification which you have set require us to analyze both.

The violence has destroyed a substantial portion of El Salvador's

economy, has created hundreds of thousands of displaced persons and refugees, and has largely subverted the system of law and justice in El Salvador.

But side by side with this record of violence is another reality: reform. For El Salvador is a country which has undertaken an extraordinary program of economic reforms. The data we have presented make it quite clear that these reforms continue and that efforts to derail them have failed. Moreover, El Salvador is beginning to try democratic politics. With vast public support, an election was held last March, and a constituent assembly now sits debating the country's future and writing a new constitution. Next year there will be a presidential election. El Salvador is beginning what is always an extremely difficult process: the transition to democracy. The habits of moderation, compromise, and submission to law are not easily learned; and they will not be easily learned in El Salvador. The progress already made is remarkable. El Salvador now has a civilian president and cabinet and a vigorous political party structure.

The ultimate solution to the crisis of violence in El Salvador is this process of building democratic institutions. The guerrillas will not be defeated in one great battle some day; rather, they will be defeated because the process of political and economic reform makes them utterly irrelevant to the future of El Salvador.

Our purpose in El Salvador is two-fold: to encourage the process of reform and to assist the army in fighting the guerrillas. For if one thing is certain in El Salvador, it is this: Guerrillas armed and led by Communists who are allied with Moscow, Havana, and Managua are not fighting for human rights and are not fighting for reform. They are fighting for power, and we know from the models they seek to emulate that they mean power for themselves, power never to be shared with the people of El Salvador.

It is not certain that the Government of El Salvador and the people of El Salvador will win this struggle for peace and for reform. On the extreme left and extreme right, people with

radically different views share a common detestation of democracy and a common determination to block El Salvador's progress toward reform and peace. But it is quite clear that their aims do not have the support of the vast majority of the people of El Salvador. Our policy is to help the people of El Salvador win their struggle. Because of the strength of the right- and leftwing extremists and the outside support the guerrillas receive from various Marxist states, reform in El Salvador depends in no small part on our willingness to help.

It is a task which many Americans resist because it enmeshes us in the violent, sometimes obscure, always complex, life of a small and poor society at the most difficult stage in its history. All of us wish sometimes we could turn from these kinds of involvements in regions of turmoil. But let us face the fact that we cannot, if we take seriously our responsibility to promote democracy and respect for human rights.

Those who seek peaceful change in El Salvador look to us because they know that their cause may well be doomed without us, without our help. We can, of course, turn away; but let us not be under any illusions about the results of that action. It would lead to more and more violence in El Salvador. We have a responsibility, if we take seriously a commitment to help the cause of democracy in El Salvador, to give the Salvadoran people the help they need. If we refuse, with the full knowledge that our refusal will strengthen extremists of the left and right, let us, at least, acknowledge that we act out of a desire to avoid political controversy. But let us not delude ourselves into thinking that such an act would have anything to do with advancing the cause of human rights in El Salvador, which is the common goal that brings us together here today.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S.-Iran Claims Tribunal: Recent Developments

by James H. Michel

Statement before the Subcommittee on International Economic Policy and Trade of the House Foreign Affairs Committee on December 7, 1982. Mr. Michel is Deputy Legal Adviser.¹

It is a privilege to appear before you today to testify in support of the proposed legislation relating to the settlement of claims against Iran.

The Algiers Accords

As you know, under the Algiers accords, which led to the release of the American hostages held in Tehran, the United States and Iran agreed to establish an international arbitral tribunal, the Iran-U.S. Claims Tribunal. This tribunal—composed of three members appointed by the United States, three by Iran, and three third-country arbitrators chosen by the six party-appointed members—was empowered by the accords to decide claims of U.S. nationals against Iran arising out of debts, contracts, expropriations, and other measures affecting property rights. The tribunal may also hear certain Iranian claims against the United States. Awards issued by the tribunal are binding on the parties and are enforceable in the courts of any nation. To assure payment of awards in favor of U.S. nationals, a security account was established at a subsidiary of the Netherlands Central Bank, with an initial deposit of \$1 billion, using certain Iranian assets which had been frozen in the United States. Under the accords, Iran has an obligation to replenish the security account when payments to successful U.S. claimants cause the amount in that account to fall below \$500 million.

The accords established the basic framework for the operation of the tribunal. They set filing deadlines for claims, adopted the arbitration rules of the U.N. Commission on International Trade Law (UNCITRAL) as the basis for the tribunal's procedural rules, designated The Hague as the seat of the

tribunal, and provided that the expenses shall be borne equally by the two governments. In addition, the accords stipulated that claims under \$250,000—so-called small claims—must be presented to the tribunal by the government of the claimant. So-called large claims—those of \$250,000 or more—were to be presented directly to the tribunal by the claimant. The accords also gave the tribunal the authority to decide disputes between the parties concerning interpretation or application of this agreement.

Operation of the Tribunal

When the tribunal first convened in May 1981, the arbitrators confronted the monumental task of "setting up shop"—establishing a claims registry, hiring essential staff, finding competent interpreters and translators to enable proceedings to be conducted in both official languages, adopting special rules of procedure, and deciding a series of threshold issues of jurisdiction and interpretation on which the parties could not agree.

More than 4,000 claims have been filed with the tribunal: 2,795 small claims and approximately 650 large claims of U.S. nationals against Iran; about 100 contract disputes between the two governments; more than 200 claims of Iranian banks based on standby letters of credit and some 200 based on disputed amounts of deposits in U.S. banks; and several hundred claims raised by Iran and Iranian nationals. In order to expedite hearing this tremendous case load, the tribunal divided itself into three chambers, each headed by a third-country arbitrator and containing an American and an Iranian arbitrator. While the chambers hear the individual claims, the full tribunal convenes to decide interpretation disputes and significant legal issues common to many claims when those issues are relinquished by the chambers.

The tribunal is a unique institution, representing one of the most ambitious and complex international claims adjudication programs ever undertaken. To appreciate its progress to date, you

must keep in mind that it labors under difficult circumstances. The tribunal's operation is affected by the continued absence of diplomatic relations between the United States and Iran and the ongoing domestic revolution and external war of Iran.

Against this background, the tribunal has made considerable progress in the past year and a half. During its first year of operation, the full tribunal ruled on several major issues, setting the framework for future decisions.

In an important decision protecting U.S. nationals who chose not to file claims with the tribunal, the tribunal decided that it had no jurisdiction over claims by one government against the nationals of the other. As a result of this decision, Iran withdrew over 1,400 claims from the tribunal.

In another decision, the tribunal held that settlements between arbitrating parties could be paid from the security account when the tribunal approves the settlement and issues an award on agreed terms. This decision benefits American claimants in two ways. It encourages settlements by making the security account available for this purpose. At the same time, it assures American claimants who are unable to obtain settlements that the security account will not be depleted unfairly, since all settlements to be paid from the account are subject to tribunal review.

The tribunal has also decided that interest earned on the security account should not be paid to Iran but should continue to be credited to a separate suspense account in the depository bank. Interest may be used by Iran to replenish the security account. Until all claims are decided and all awards paid, however, use of the interest for any other purpose will require the agreement of both the United States and Iran.

The tribunal recently issued another major decision in the choice-of-forum or forum selection cases. Here, the tribunal had to decide whether its jurisdiction included claims brought under contracts within contained language referring contractual disputes to Iranian courts. In essence, the tribunal held that only those contracts which explicitly state that all disputes are to be referred only to competent Iranian courts are outside the

jurisdiction of the tribunal. It should be noted that the tribunal did not dismiss any of the claims found to contain such a forum selection clause but remanded each of them to the individual chambers for a determination of whether any other legal bases exist under which the tribunal may retain jurisdiction. The tribunal declined to decide whether any contractual election of an Iranian forum is enforceable in light of the dramatic changes in the Iranian court system since the contract was signed and the doubts concerning the ability of American claimants to obtain a fair hearing in the present Iranian courts. Therefore, the tribunal's decision will not operate to bar a claimant from raising such arguments in another forum, such as a U.S. court, if the claim is ultimately found to be outside the tribunal's jurisdiction.

With a number of interpretive questions resolved, the tribunal has turned its attention to arbitrating the individual claims of Americans. There is no question that the pace has been slow. The Iranians have repeatedly requested extensions of filing dates, interposed many jurisdictional and procedural questions, and made numerous untimely demands. These delaying tactics probably reflect both the real burden faced by Iran in dealing with so many claims and the Iranian desire to defer rulings on the merits of claims they oppose. We have repeatedly expressed our concern in the strongest possible terms to the tribunal about its tolerance of Iranian delays and the resulting slow pace of operation. We have seen some progress, for example, in less automatic approval of requests for time extensions.

Despite the delays, the tribunal has made progress in arbitrating the private claims. It has assigned all 650 large claims to the individual chambers for hearing, and the chambers have set Iranian response dates for almost all of these claims. Iran has filed approximately 250 statements of defense so far. By the end of the year, the three chambers will have held approximately 75 prehearing conferences. Over 20 more have already been scheduled for early next year. While only about 20 hearings on the merits have been held so far, about 35 more are scheduled for the coming months. To date, the tribunal has issued 11 awards in favor of American claimants, 9 approving settlements, and 2

contested awards, for a total of about \$8 million. In addition, the tribunal has dismissed 2 claims for lack of jurisdiction.

The tribunal registry has completed serving the statements of claim for the 2,795 small claims on the Iranian agent in The Hague. The tribunal is currently deciding how most efficiently to handle the arbitration of the small claims and is considering the appointment of experts or special masters to assist in this process.

The tribunal's record to date, while less than satisfactory in several respects, compares favorably with previous claims proceedings. Historically, Americans who have asserted claims against foreign governments have normally had to wait many years and often have recovered only a fraction of their actual losses. Here, only 4 years have passed since the beginning of the Iranian revolution, in which longstanding commercial ties were destroyed and huge losses were incurred by Americans living or working in Iran. Resolution of their financial disputes with Iran is now foreseeable. An agreement to adjudicate American claims against Iran has been signed, a fund from which to pay awards has been established, an arbitration tribunal has been set up and is now operational, and arbitration of individual claims has begun in earnest.

Costs to the U.S. Government

The U.S. Government has incurred, and will continue to incur, substantial expenses in seeking to make the tribunal an effective forum in which deserving American claimants can obtain timely relief. As I mentioned earlier, the accords divided the tribunal expenses equally between Iran and the United States. The United States also pays one-half of the security account management fees. The Federal Reserve Bank of New York incurred expenses in transferring Iranian assets and will incur further expenses in processing payments of tribunal awards. The State Department and other government departments have devoted, and will continue to devote, substantial resources to maintaining the arbitral process. The exact total of future U.S. expenses depends on the lifespan of the tribunal and the extent to which some claims can be settled

through negotiation rather than arbitration. However, we estimate that the government's expenses may well exceed \$80 million.

Tribunal Expenses. Tribunal costs, shared by the United States and Iran, consist primarily of the salaries and allowances of tribunal personnel; rental, operation, and maintenance of the tribunal building; and necessary supplies and equipment.

During FY 1981, the U.S. contribution was \$303,000; during FY 1982, it was \$2.05 million. The tribunal's recently adopted budget calls for payment of \$2.083 million during the period July 1, 1982, to June 30, 1983. The Department had originally anticipated that a higher contribution would be required for this fiscal period on the assumption that agreement would be reached during this period to expand the tribunal's decision-making capacity, by adding additional arbitrators, employing special masters, or through some other mechanism. While no such agreement has yet been reached, some form of expansion is considered likely during the next year or two, requiring a corresponding increase in the contributions of both the United States and Iran.

Security Account Management

Fees. The management fees of the N.V. Settlement Bank of the Netherlands the depositary for the security account, are now set by agreement of Iran, the United States, and the Dutch Central Bank. These fees amount to \$1.8 million per year, of which the United States pays \$900,000—or \$75,000 a month. That amount reflects considerable front-end "start-up" expenses incurred by the Central Bank and is not tied to the amount of principal or interest in the account. We would expect, then, that any increase in the fees due to inflation will be largely offset by actual reductions in expenses incurred.

Expenses of the Federal Reserve

Bank. In its capacity as fiscal agent of the United States for purposes of implementing the Algiers accords, the New York Fed has incurred certain expenses, primarily in connection with the marshaling of Iranian assets and the processing of awards of the tribunal. To date these expenses have totaled approximately \$100,000. This figure in large part represents one-time costs and will

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be subject to a substantial reduction beginning in FY 1983. We project annual expenses directly related to processing tribunal awards to be between \$20,000 and \$40,000.

State Department. The State Department has made Iran claims one of the top priorities in the Legal Adviser's office. The Office of Iranian Claims, staffed by 10 full-time attorneys, five paralegals, and other support personnel, has incurred sizable expenses in terms of personnel, services, and equipment in connection with the establishment of the tribunal and its continuing operation.

Apart from the presentation and defense of the official claims and interpretation disputes between the two governments, the office devotes substantial resources to the preparation and presentation of U.S. positions on major common issues of importance to both large and small claimants. The office monitors tribunal activities, analyzes Iranian factual and legal arguments, and prepares factual and legal materials to support U.S. positions. It acts as a coordination point for the presentation of American claims before the tribunal. In addition, the office analyzes and distributes tribunal decisions and other information about the tribunal.

The U.S. agent in The Hague provides invaluable assistance to attorneys for large claimants and essential representation of U.S. interests across the entire range of tribunal issues. The agent receives and serves tribunal documents on the claimants, briefs attorneys on procedural and substantive matters, attends prehearing conferences and hearings, and addresses issues of a general nature that inevitably arise in the adjudication of individual claims.

In addition to the services I just mentioned, the Office of the Legal Adviser is now preparing to present before the tribunal the 2,795 small claims.

For FY 1982, the costs attributable directly to the office totaled approximately \$1 million. The FY 1983 and 1984 estimates are \$1.2 million each.

Other U.S. Government Expenses.

Both the Treasury and Justice Departments have incurred, and will continue to incur, direct and indirect costs in connection with the establishment and operation of the tribunal. These agencies

have substantial responsibilities for assuring U.S. compliance with the provisions of the claims settlement agreement and the various technical agreements. And the State Department relies heavily on their expertise in preparing U.S. positions on interpretive questions before the tribunal. In addition, Treasury plays a major coordinating role in matters relating to banks and their customers.

The Proposed Legislation

The legislative proposal before the subcommittee authorizes the Foreign Claims Settlement Commission to adjudicate any category of claims by U.S. nationals against Iran that may be settled by lump sum agreement between the United States and Iran. It also authorizes the Secretary of the Treasury to make payments to individual claimants in satisfaction of the commission's determinations.

Of course, the exercise of these authorities will depend upon the ability of the two governments to come into agreement on a settlement of some category of claims. We expect settlements of large claims to occur only through direct negotiations by claimants on a case-by-case basis. Such individual settlements will not involve the authorities contained in this bill. We do, however, hope to avoid for both governments the time, effort, and expense of arbitrating each one of the more than 2,700 small claims now before the tribunal. While we are prepared to go forward with arbitration of the small claims and to represent the claimants vigorously before the tribunal, there are obvious advantages to settlement of the small claims. And if such a settlement can be achieved, we believe the fastest, most economical, and fairest way to divide the amount received in the settlement among the members of the class of claimants will be through adjudication by the Foreign Claims Settlement Commission.

The proposed legislation also provides authority and procedures for reimbursement to the U.S. Government of expenses incurred by the Departments of State and the Treasury, the Federal Reserve Bank of New York, and other agencies for the benefit of U.S. nationals who have filed claims with the tribunal. This cost recovery would be achieved by deducting 2% from each arbitral award against Iran paid from the security account to a successful U.S. claimant.

We have transmitted with the Administration's draft bill a detailed sectional analysis. Chairman Bell is here to address the grant of standby authority to the Foreign Claims Settlement Commission. With respect to recovery of the governor's costs, this legislation is intended to help finance the efforts of the United States to provide American claimants with an appropriate and effective forum for the resolution of their disputes with Iran. In proposing a recovery of 2% of each tribunal award in favor of an American claimant, the bill seeks to recover an amount that is expected to approximate the costs to the government of this arbitration. While the Department cannot predict the aggregate amount the tribunal ultimately will award to American claimants, we have based our projections on the expectation that the tribunal will award \$1 billion during its first 4 years of operation and an additional \$1 billion for each subsequent 3-year period. At the 2% rate of recovery of costs which we are proposing, the maximum amount of U.S. expenses exceeds our projection of costs recovered.

Conclusion

In sum, we think that the tribunal can provide American claimants with an effective forum for the resolution of their financial disputes with Iran. The Department of State and other concerned government agencies are providing substantial services to claimants in connection with the operation of the tribunal and are incurring significant costs in this regard. We believe that the proposed legislation will facilitate this arbitral process and will fairly allocate among the claimants the costs of providing this forum.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Yellow Rain: The Arms Control Implications

by Lawrence S. Eagleburger

*Statement before the Subcommittee on Arms Control, Oceans, International Operations, and Environment of the Senate Foreign Relations Committee on February 24, 1983. Ambassador Eagleburger is Under Secretary for Political Affairs.*¹

I appreciate the opportunity to appear before your subcommittee to discuss the arms control implications of the use of chemical and toxin weapons. Our goal is to see their complete elimination. Our seriousness and dedication was shown most recently during Vice President Bush's trip to Europe. While in Geneva, he addressed the Committee on Disarmament and spoke forcefully and persuasively of the need to rid the world of chemical and toxin weapons. He took the additional constructive step of announcing an important U.S. initiative to achieve that goal.

More than 12 years ago we unilaterally renounced the possession of all biological and toxin weapons. Subsequently, we played a major role in negotiating an international agreement banning these weapons. A large number of countries, including the Soviet Union, joined us in ratifying the treaty. We expected that the threat of this whole class of weapons would disappear. Yet, that turned out to be a false hope. Toxin weapons are being used right now in Afghanistan and Southeast Asia. Repeated calls to stop violating international agreements go unheeded. Outrages against the dignity of humanity continue. But the Soviet Union, Vietnam, and Laos continue to deny their acts which we and others have documented.

We cannot, and will not, remain silent about the death and suffering caused by chemical and toxin weapons since the mid-1970s. Yet, we know it is not sufficient merely to exhort the world to condemn those who supply and use them. Rather, we must constructively find a way to insure that these weapons are effectively abolished.

Evidence of Soviet Use

Toxins and chemical warfare agents have been developed in the Soviet Union and provided to Laos and Vietnam. The Soviets use these agents, themselves, in Afghanistan and have participated in their preparation and use in Southeast Asia. Neither the Vietnamese, Laotians, nor Afghans could have developed or produced these weapons. The Soviet Union can, however, and has extensively trained and equipped its forces for this type of warfare.

An incident which occurred in 1979, in Sverdlovsk, in the Soviet Union raised questions about Soviet compliance with the prohibition on production of biological weapons as well. A sudden major pulmonary anthrax outbreak occurred near a suspected biological weapons facility. The Soviet explanation continues to be inconsistent with available evidence.

Nearly 8 years ago, the world first heard of the use of lethal chemical weapons in Laos. In 1978, similar reports began coming out of Kampuchea, and in 1979 from Afghanistan. We now have accumulated a large body of evidence on the use of these weapons and the plight of their victims. The judgments are well documented, and the facts do not support any other conclusion. The United States has raised this issue publicly in the United Nations, with Congress, and elsewhere. We have issued a series of reports providing extensive evidence of these attacks and the agents used. The most recent report was submitted to the Congress and United Nations by Secretary Shultz on November 29, 1982.

Canada, Thailand, and the United Nations have produced documentation. Other nations have also voiced their concern through their votes in the United Nations and individual and collective statements. Private individuals and organizations are also being heard. Some of these individuals are here today.

It is not as if we were dealing in an area in which civilized standards are vague or international law inadequate. To the contrary: There are two principal international agreements which place restrictions on chemical, biological, and toxin warfare. The first is the 1925

Geneva protocol, one of the oldest treaties on weapons still in force, which prohibits the first use of these types of weapons. The second treaty is the 1972 Biological and Toxin Weapons Convention which bans the development, production, stockpiling, transfer, and possession of biological and toxin weapons. Both the United States and the Soviet Union are parties to this treaty as are Afghanistan, Laos, and Vietnam. Not only are both these treaties being violated in Southeast Asia and Afghanistan but so are universally accepted standards of international law and respect for humanity.

Implications for U.S.-Soviet Relations

The continuing use of chemical and toxin weapons in Southeast Asia and Afghanistan has obvious implications for U.S.-Soviet relations. It does not mean that we can no longer work with the Soviet Union to build a more stable and secure world, for as the two superpowers we have a special responsibility. It does mean, however, that the policies of our nation cannot be based on a benign or naive view of the Soviet Union and its intentions. The President has noted the responsibilities we carry and the need for strength and preparedness. With a realistic appraisal of Soviet goals and an appreciation that they are not constrained by some of the values we espouse, we can proceed, with caution and prudence, to help build a world eventually free from chemical, biological, and toxin weapons.

We have all heard the charges that the continuing Soviet defiance of international norms through the use of chemical and toxin weapons proves that arms control cannot work. Further, if the Soviets would so blatantly violate two important international treaties, what will keep them from violating other arms control agreements as well? We would contend that Soviet actions lead to a different conclusion—real, equitable, and fully verifiable arms control is an absolute necessity. It is not that arms control is pointless; it is that we have to do a better job of it.

Effective arms control is necessary if we are to reduce the number of destructive weapons in the world and reduce the risk of war. As the President has said, arms control is not an end in itself, but a vital means toward insuring peace and international stability.

MILITARY AFFAIRS

Effective Procedures for Compliance With Treaties

Yet, if arms control is to work, agreements of this kind must be fully and effectively verified. The Soviet Union will not feel compelled to live by its international agreements if it knows that digression from those agreements will go undetected and unchallenged, and it is not obliged to pay a political cost. To sign agreements which lack tough verification standards would be not only misleading but also a disservice to all who want real arms control. To refuse to sign equitable agreements with strong verification procedures which are in our own interest would be equally misguided.

The Geneva protocol and the 1972 Biological and Toxin Weapons Convention do not contain verification provisions or adequate measures to address questions of compliance. We are seeking, with others, to remedy these shortcomings and to establish Soviet compliance with both agreements. In December, the U.N. General Assembly recommended by an overwhelming vote to call on the states that are parties to the Biological and Toxin Weapons Convention to hold a special conference as soon as possible to establish effective procedures for compliance with its provisions. In December the U.N. General Assembly also requested the Secretary General to establish procedures to investigate promptly possible violations of the 1925 Geneva protocol. We believe it is important that both resolutions be implemented promptly, and we will continue to participate in follow-on actions.

The United States strongly supported the adoption of both resolutions. The Soviet Union and a number of its allies did not. Soviet cooperation is necessary if we are to achieve the goals embodied in the resolutions which are directed at making these two treaties effective. Opportunities are available to the Soviet Union for such cooperation.

Impartial Verification

We have taken steps to achieve a comprehensive ban on chemical weapons. On February 10 we tabled, in the 40-nation Committee on Disarmament in Geneva, our detailed views on the content of a complete and verifiable chemical

weapons convention. In presenting this initiative, we reiterated our commitment to the objective of a chemical weapons ban and stressed its urgency.

We propose that any activity to create or maintain a chemical weapons capability should be forbidden. Existing chemical weapons stocks and production and filling facilities should be promptly declared and destroyed over a specified time period.

Our proposal emphasizes the importance of mandatory on-site inspection. An independent, impartial verification system observed by, and responsive to, all parties is essential if we are to be confident that the provisions of the convention are faithfully observed. National technical means alone are insufficient, as they are available only to a few and have only a limited verification usefulness. Systems of "national verification," or self-inspection, are not the answer.

We have proposed that the following be subject to mandatory on-site inspection:

- Declared chemical weapons stocks and the process of their elimination;
- Declared chemical weapons production and filling facilities and the process of their elimination; and
- Declared facilities for permitted production of chemicals which pose particular risks.

We have also proposed an obligation to permit inspections on a challenge basis when questions of compliance arise. The verification approach we have proposed is tough but fair and practical. Although no one can guarantee absolute verification, we believe that our security and that of all other countries would be safeguarded. We are insisting on a level of verification which meets that objective, and we are prepared to explore seriously any alternative suggestions by other nations to achieve effective verification.

Conclusion

Our views are not fixed but subject to further refinement. The possibility of resuming bilateral negotiations with the Soviet Union remains open. Such negotiations occurred earlier but lapsed in deadlock in mid-1980, principally over

the issue of verification. We have repeatedly stated that for bilateral negotiations to be fruitful, the Soviet Union would need to demonstrate, rather than simply profess, that it is ready to accept effective provisions to verify compliance with a chemical weapons prohibition. We must also be assured that the Soviet Union is willing to abide by existing agreements.

The focus of negotiations should be on the difficult issues which are impeding progress, especially verification and compliance. Such issues must be resolved if genuine achievements are to take place. Concentrating on the less contentious issues, or even drafting treaty texts, would be a fruitless exercise if an effective verification framework cannot be built.

We hope that our arms control initiatives regarding these weapons will succeed. We do not have any illusions. Agreement will require a major revision of Soviet military strategy which accepts use of these weapons. We must also overcome longstanding Soviet aversion to effective on-site monitoring. Therefore, conclusion of an acceptable agreement cannot be guaranteed.

This Administration remains dedicated to the goal of completely eliminating all chemical, biological, and toxin weapons. Success in this enterprise would enhance not only our security but that of the whole world.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

J.S. Completes Assessment of IAEA

by Richard T. Kennedy

Statement to the board of governors of the International Atomic Energy Agency (IAEA) in Vienna on February 2, 1983. Ambassador Kennedy is U.S. permanent representative to the IAEA and Ambassador at Large and special adviser to the Secretary on nonproliferation policy and nuclear energy affairs.

I wish to advise the board of certain decisions recently taken by my government. As you all are aware, last September the United States suspended its participation in the IAEA. Since that time, my government has been engaged in an extensive review and assessment of the IAEA and the future role of the United States in this agency. I would like to use this opportunity to share with you briefly some of the conclusions which we have reached from our intensive study, which is now completed.

Let me begin by recalling for the governors the message President Reagan sent to the delegates on the occasion of the 26th general conference. At that time the President said:

The United States is determined to work with other countries to assure that this agency can successfully meet the challenges ahead—from strengthening technical cooperation for sharing the benefits of nuclear energy to finding ways of improving further the technical and institutional safeguards against its misuse. It is our profound hope that others will share this determination—for it would be a tragedy for succeeding generations if we permit this organization to be weakened or undermined by political issues and concerns, which, however strong the emotions they arouse, are extraneous to the central technical purposes for which the agency was founded.

It was with these thoughts in mind that our assessment was conducted. Our assessment underscored two basic points.

First, it is overwhelmingly clear that the IAEA has played and should continue to play a critical role in support of very substantial interests of all of its member states. The IAEA has contributed in a major way to progress in the expanded and safe use of nuclear-generated electric power and through its other development programs such as those in medicine, industry, agriculture, health, and safety. At the same time, we are all beneficiaries of the assurance provided through the application of international safeguards that nuclear material is not being misused for illicit and destructive purposes. Perpetuation of this assurance is essential if progress in peaceful nuclear development is to continue.

We, therefore, need to work together to improve the effectiveness of IAEA technical assistance programs, to improve the agency's safeguard system, and to maintain an effective secretariat. The director general is aware of the concerns we have expressed, and I am confident that we can achieve these needed improvements if we all exert our best efforts to that end.

The second major point emerging from our assessment is that, just as we are all the beneficiaries of the work conducted by the IAEA, we will all pay a considerable price if the viability and effectiveness of the IAEA are threatened. Yet it is clear to us that the growing trend toward controversy and divisiveness over political issues extraneous to the work of the IAEA is such a direct threat. We believe that unless this tendency is promptly checked, it will render the IAEA ineffective and will fatally corrode the enthusiasm with which member states have participated here for the last 25 years.

This is not to say that there will not continue to be legitimate differences among us regarding the allocation of agency resources and the relative emphasis placed on its programs. There are, of course, legitimate differences in perspectives and interests among the

member states of the agency. We must not, however, abandon debate of issues germane to the IAEA in favor of debate of controversial political issues which should be addressed elsewhere. To do that would be to abandon our mutual and important interests in the IAEA.

In short, the agency must respect the statute and not, for reasons of political expediency, act in ways that are inconsistent with that statute. The agency's role in promoting the peaceful uses of nuclear energy during this critical period depends entirely on the credibility of its technical expertise.

As members of the IAEA's governing body, we bear a singular responsibility for determining the agency's future course. I believe we should make a determined effort to reestablish the tradition of member state cooperation which characterized its first 25 years. I look forward to working actively toward this end with you.

My government and, we are confident, other concerned governments will be watching carefully to see which direction the agency pursues in the months ahead. We hope and trust that the agency can put behind it the unfortunate political wrangling of the recent past and get back to the basic purposes which brought us all together in the first place.

The United States for its part then is prepared to renew its commitment to the IAEA and its important programs. Within the constraint of U.S. law, the United States intends to support fully these programs. At the same time, I must note that our commitment must depend on the degree to which other members are also determined to return this agency to its status as an effective international technical organization. It is our deep desire that all member states will join with us in this sincere effort. Together we can strengthen this unique international organization and see that the agency lives up to the principles contained in its statute. ■

Palau Approves Free Association With the U.S.

Final unofficial results of the February 10, 1983, plebiscite in Palau represent a strong victory for the Compact of Free Association. In the yes-or-no vote, Palauans awarded the Compact of Free Association a mandate of better than 62%. The voter turnout was very heavy, substantiating the high degree of support for the compact in Palau.

Under the compact, Palau will achieve its long-sought goal of full autonomy. The United States will assume the obligation and authority to defend the island nation. The compact and its related agreements were negotiated over a 14-year period. Two other prospective freely associated states—the Marshall Islands and the Federated States of Micronesia—will vote on the compact in coming months.

The United States recognizes that the plebiscite is a valid and sovereign act of self-determination by the people of Palau. The compact they approve defines their relationship with the United States, as well as their international political status after the present trusteeship is terminated. Now that the people and Government of Palau have approved the compact, it must receive majority approval in both houses of the U.S. Congress.

The Palauan voters were asked other questions on the plebiscite ballot, including the political status they would prefer if free association were not approved. Slightly more than half of the voters chose to answer this question, which was optional. Here, the vote was about 56% in favor of a relationship with the United States closer than free association and 44% in favor of independence.

The ballot included an internal referendum question which asked the voters to approve a Palauan-American agreement relating to hazardous, including nuclear, substances. A majority—53%—voted to approve this agreement. However, because of provisions in the Palau Constitution, this, or a similar specific question, requires approval by a 75% margin before the Compact of Free Association can come into effect. This means that the Palauan authorities must now devise an acceptable method of reconciling their con-

stitutional provisions to comply with the mandate of the Palauan electorate for free association with the United States. The United States has expressed its willingness to consult with Palau on this matter and awaits Palau's initiatives.

The Government of Palau mounted an intensive and thorough public education program in advance of the plebiscite. That program, which started more than 5 months before the vote, included translation of all the pertinent documents, radio and television programs and debates, town hall meetings, and village discussions. An official team from the U.N. Trusteeship Council was in Palau to observe the final days of the education program, the voting, and the tabulation of ballots. Their report is expected shortly.

Palau is the westernmost chain of islands in the Trust Territory of the Pacific Islands, which the United States has administered since 1947 under a trusteeship agreement with the United Nations. Palau, with a population of 15,000, is located east of the Philippines and south of Guam.

The Northern Mariana Islands, a

fourth political jurisdiction in the Trust Territory, voted in 1975 to become a territory of the United States. Under this arrangement, the people of the Northern Mariana Islands, of which Sapan is the largest, will become U.S. citizens when the trusteeship agreement ends. All four political jurisdictions of the Trust Territory have locally elected constitutional governments. Palau's first such government was inaugurated on January 1, 1981.

Palau and the other island groups of the Trust Territory were administered by Japan under a League of Nations mandate after World War I. The United States liberated the islands from Japanese occupation during the last years of World War II. Palau was noted as the site of especially ferocious fighting during that campaign. Today the islands of Palau, marked by their spectacular beauty and their unusually rich and diverse marine ecology, are positioning themselves for future economic development. Fishing, agriculture, and tourism are expected to contribute to this growth. The Compact of Free Association contains incentives for investment, trade, and business development and also guarantees economic development assistance from the United States.

Press release 52 of Feb. 23, 1983. ■

U.S.-Micronesia Plebiscite

The Governments of the United States and the Federated States of Micronesia (FSM) have announced the holding of a plebiscite in the Federated States of Micronesia on Tuesday, June 21, 1983. The plebiscite will be an act of self-determination by the people of the Federated States of Micronesia regarding their future political status and is a step toward termination of the last remaining U.N. trusteeship.

In the plebiscite, the voters of the Federated States of Micronesia will be asked whether they approve or disapprove a Compact of Free Association and a number of agreements subsidiary to it, all of which were signed by representatives of the two governments—Ambassador Fred M. Zeder, personal representative of the President of the United States for Micronesian

status negotiations, and Andon L. Amaraich, chairman of the FSM's Commission on Future Political Status and Transition—in Honolulu on October 1, 1982.

At the request of the United States, the U.N. Trusteeship Council agreed on December 20, 1982, to organize a series of observer missions to witness the plebiscites in the FSM and in two other jurisdictions of the Trust Territory of the Pacific Islands. The first such mission observed a plebiscite in the Republic of Palau on February 10, 1983, and the mission to the FSM will, similarly, observe the final stages of the public education program now underway in the FSM, the voting in the plebiscite itself, and the counting of the ballots. The education program in the FSM is being

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conducted by a commission under the chairmanship of Vice President Petrus Tun.

The United States and the FSM agreed in the compact to call the plebiscite jointly, and an announcement of the date is being made simultaneously in Kolonia, Ponape, capital of the FSM, by President Tosiwo Nakayama. Procedures for the plebiscite are established in FSM Public Law 2-54, enacted in late 1982.

In addition to addressing the question of free association, voters will be asked to state their preference for an alternative political status to be negotiated with the United States in the event that free association is not approved. The choices will be independence and some form of continuing relationship with the United States other than free association, with the voter being given the further opportunity to describe that relationship.

Signature of the compact and its related agreements last October represented the completion of more than a decade of negotiations. U.N. observation of the plebiscite is among several governing principles for free association adopted by the negotiators in a meeting at Hilo, Hawaii, in April 1978.

Press release 66 of Mar. 2, 1983. ■

Libya

by Jeane J. Kirkpatrick

Statement made in the U.N. Security Council on February 22, 1983. Ambassador Kirkpatrick is U.S. Permanent Representative to the United Nations.¹

I have, today, addressed the following letter to you for circulation as an official document in the Security Council.

The Government of the United States rejects the false and malicious charges of the Government of Libya and calls the attention of the Council to yet another example of a threat to international peace and security posed by the policies of the Libyan Government.

Furious that its plans for illegal, violent action were frustrated, the Government of Libya comes now to the Security Council with lying complaints against the United States. In fact, the United States committed none of the acts charged by the Government of Libya.

The United States dispatched no offensive aircraft into the region, violated no Libyan airspace. As a matter of fact, neither

the U.S. carrier *Nimitz* nor its aircraft entered waters or airspace claimed by Libya on the days in question, although we have every right to enter these international waters, recognized as such under international law. We also have every right to conduct, under appropriate circumstances, training exercises with friendly governments.

The United States affirms its rights under international law and the Charter of the United Nations and intends to exercise them.

Naturally, the Government of Libya would prefer that no obstacles—however legal—be interposed to its plots and expansionist projects. But peace-loving nations cannot accommodate Libya's designs on its neighbors.

In calling attention to Libya's false charges, the United States notes that such lies mock the serious work of building international peace, just as Libya's repeated efforts to interfere in the affairs of its neighbors destroys security in the region.

The United States did not seek this confrontation in the U.N. Security Council with the Governments of Libya, but we welcome the opportunity thus presented to put *facts* on the record—not the fabrications of Col. Qadhafi's spokesman—and to assign *responsibility*

U.S. Participation in the UN, 1981

MESSAGE TO THE CONGRESS, FEB. 2, 1983¹

I am pleased to transmit herewith a report of the activities of the United States Government in the United Nations and its affiliated agencies, as required by the United Nations Participation Act (Public Law 264, 79th Congress). The report covers calendar year 1981, the first year of my Administration.

During this first year we devoted much time and effort to making our participation in the organization of the United Nations system more effective and to rendering the system more efficient. We have urged the United Nations and its affiliated agencies to slow budget growth, define priorities, upgrade personnel, and purge debate of irrelevant and divisive rhetoric. We have pursued these changes in order to strengthen the United Nations and help it realize its enormous potential for maintaining international peace and security and for contributing to the economic and social betterment of the world's peoples.

The year 1981 saw the United Nations constructively engaged in a number of important areas. United Nations peacekeeping forces have helped prevent serious fighting in Cyprus and the Golan Heights; the United Nations General Assembly called for an end to Soviet and Vietnamese aggression in Afghanistan and Kampuchea; and several

United Nations organizations and agencies continued their valuable humanitarian and technical work around the world. The year also saw the election of a new United Nations Secretary General, Javier Perez de Cuellar, an experienced and able international diplomat.

At the same time, the United Nations' 1981 performance left much room for improvement. Extreme United Nations resolutions on the Middle East and Southern Africa often increased tensions rather than promoted solutions. The General Assembly called for the Government of El Salvador to negotiate with the guerrillas opposing it, discounting in advance the value of elections which proved a resounding success. Resolutions on arms control were often propagandistic and worked against the goal of genuine, balanced, and verifiable arms reductions. The General Assembly approved an unjustifiably large biennial budget in the face of United States opposition.

My Administration will continue to work strenuously and constructively to defend United States interests in the United Nations setting and to make the Organization itself increasingly more responsive to global problems and needs.

RONALD REAGAN

¹Text from White House press release. ■

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for this grave threat to international peace and security where that responsibility belongs.

I speak, of course, of the Government of Qadhafi's Libya. And I wish to put this threat, which seems for the moment to have receded, in the context of Libyan-sponsored worldwide terrorism and adventurism directed against its neighbors—indeed, throughout northern, eastern, and central Africa. This pattern of lawless expansionism constitutes a continuing threat to the peace and security in the region and beyond.

My government and the American people have never sought, and do not now seek, any confrontation with the Government or people of Libya. We have never engaged, and do not now engage, in any acts of provocation. But we are deeply sensitive to threats to international peace, to our own security, and to the security and national independence of Libya's neighbors. And let there be no doubt: We will respond as appropriate to Libyan threats.

Briefly, I wish to recall the salient events that led to this situation.

Last Friday, February 18, official Sudanese radio announced the discovery of a Libyan-backed coup plot against the government of President Gaafar Nimeiri. It announced the apprehension of Libyan-sponsored dissidents and infiltrators. It also reported that the Government of Sudan had been closely watching concentrations of Libyan bombers and fighters in southeast Libya close to the Sudanese and Egyptian borders.

This concentration of Libyan aircraft had been of particular concern to the Sudanese. In view of the successful steps which the Sudan has now taken to deal with this latest Libyan effort to destabilize one of its neighbors, we are now able to put the spotlight of world attention on events in the region.

We follow Qadhafi's irresponsible incursions into the affairs of his neighbors closely and with deep concern. We have been aware for some time of his efforts directed against President Nimeiri. We were also aware of the concentrations of Libyan aircraft which were of concern to the Sudanese and Egyptians. Because of the situation, we moved up the date of an AWACS [airborne warning and control system] training exercise, which had already been scheduled about a month

hence, and sent our AWACS and tanker aircraft into Egypt. We have also had U.S. naval forces deployed in the eastern Mediterranean. Their presence in international waters sometimes seems to have a deterring effect on Libyan adventurism in the region.

The desired result seems to have been achieved, at least for the present. The statement on Sudanese radio, and yesterday's statement by the Sudanese Assembly, speak for themselves. We can be reassured by the bold and decisive manner in which the Sudanese dealt with the threat of Libyan expansionism.

Fortunately, the most recent threat has receded. But the pattern of Libyan misconduct is longstanding.

Col. Qadhafi conducts a virulent, hostile foreign policy which respects the territorial integrity, national independence, right to peace and security, and self-determination of no one. Because of a relative lack of conventional military power, Col. Qadhafi has tried to accomplish his goals through a combination of economic and military aid to radical governments; bribery of officials;

help to international terrorists by providing sanctuary, funds, weapons, and planning; assassination of exiled opponents; planned assassination of target-government officials; and assistance to guerrilla groups working to overthrow established governments.

The Qadhafi regime has been engaged in these activities almost since it took power. For example, in 1972 Libya provided sanctuary to the perpetrators of the Munich Olympics murders. Qadhafi also gave refuge to the terrorists who held hostages at the 1975 Vienna OPEC [Organization of Petroleum Exporting Countries] meeting. Libya has been used as a "safe" area in which terrorist groups have planned acts to be committed in many of Europe's capitals. The infamous "Carlos" has operated out of Libya over several years. The weapons found on the French terrorists Breguet and Kopp had been sold to the Libyan Army. It was their release which Carlos demanded.

Assassination has been an important Libyan tool, and the proof of Libya's utilization of this tool is not hard to

Funding the Law of the Sea Preparatory Commission

PRESIDENT'S STATEMENT, DEC. 30, 1982¹

On December 3, 1982, the U.N. General Assembly passed a resolution that would, among other things, finance the preparatory commission under the Law of the Sea Treaty from the regular U.N. budget.

My Administration has fought hard to uphold fiscal responsibility in the U.N. system and, in this case, consistently opposed this financing scheme. It is not a proper expense of the United Nations, within the meaning of its own Charter, as the Law of the Sea preparatory commission is legally independent of and distinct from the United Nations. It is not a U.N. subsidiary organ and not answerable to that body. Membership in the United Nations does not obligate a member to finance or otherwise support this Law of the Sea organization.

Moreover these funds are destined to finance the very aspects of the Law of the Sea Treaty that are unacceptable to the United States and that have resulted in our decision, as I announced on

July 9, 1982, not to sign that treaty. The preparatory commission is called upon to develop rules and regulations for the seabed mining regime under the treaty. It has no authority to change the damaging provisions and precedents in that part of the treaty. For that reason, the United States is not participating in the commission.

My Administration has conducted a review of the financing scheme for this commission. That review has confirmed that is an improper assessment under the U.N. Charter that is not legally binding upon members. It is also adverse to the interests of the United States. While the United States normally pays 25% of the regular U.N. budget, the United States is opposed to improper assessments and is determined to resist such abuses of the U.N. budget.

In this light, I have decided that the United States will withhold its *pro rata* share of the costs to the U.N. budget of funding the preparatory commission.

¹Text from U.S. UN press release 1 of Jan. 3, 1983. ■

come by. The 1980-81 murders of a dozen exiled Libyans, primarily in Western European capitals, have been reported by the international press in detail. Less widely known are a 1975 plot to murder the prime minister of a neighboring country; plans to kill American Ambassadors in several Middle Eastern countries and at least one European capital; and a November 1981 attempt to plant explosives in the American Embassy Club in Khartoum, which explosives were concealed in stereo speakers, designed to detonate on a Saturday evening when scores of people would have been present and killed.

A major facet of Libyan foreign policy has been and remains subversion and destabilization of independent governments in the Middle East, Africa, and elsewhere. Chad has been a recent political victim of the aggressive policy of Libya. Currently, Libyan intentions toward Chad are a major concern. Col. Qadhafi has brought large numbers of Chadian followers to Libya, trained and equipped them, and is moving them into the northern parts of Chad. Other efforts to increase its own strength in that area are underway. Most disturbing was the mid-January deployment of a dozen Libyan SU-22 ground-attack fighters to the Aouzou Airbase in northern Chad, apparently in preparation of a Libyan option to provide air cover to an assault by dissidents and infiltrators against the Chadian Government and Chadian-held population centers. A Libyan team of approximately 80 "advisers" in another African republic may be assisting anti-government Chadians there. Libya has a long record of training guerrillas, supplying weapons, plotting subversion, and destabilization of its North African neighbors.

In the Horn of Africa, Libya continues to try to overthrow the Governments of Sudan and Somalia. A number of Libyans are in Ethiopia advising Somali and Sudanese guerrillas. Libyan aircraft and ships continue to train guerrillas and to supply arms, ammunition, explosives, and materiel to the Somali Salvation Front and to Sudanese rebels. Also Libya's deliveries of increasingly advanced weapons to warring tribes in the Sudan have contributed to death and violence in that region.

Elsewhere, Libya delivers military equipment and is involving itself increas-

ingly, for example, in this hemisphere, always on behalf of military dictatorships, always opposed to democratic regimes and movements.

That is the pattern of Libyan misconduct worldwide. It constitutes, as I have said, a grave threat to international peace and security. The culprit in this proceeding is identified beyond any reasonable doubt or question.

What has happened to Libya may happen to other states, the representative of Libya has suggested. I should

like to say that we hope so. We hope that what happened to Libya will happen to other states. We hope that all states with aggressive designs on their neighbors will be discouraged by the lawful response of others and thus to desist in their unlawful plans. My government rests its case on the factual record—and its adherence to the principles of the U.N. Charter in the cause of international peace and security.

¹Text from U.S.UN press release 13. ■

Ambassador Hinton Interviewed on "This Week With David Brinkley"

Deane R. Hinton, U.S. Ambassador to El Salvador, was interviewed on ABC-TV's "This Week With David Brinkley" on March 6, 1983, by David Brinkley and Sam Donaldson, ABC News, and George F. Will, ABC News analyst.

Q. As you know, we have a substantial debate going on here in Washington about sending more advisers, pushing the two sides to negotiate, or doing both. You are there on the scene. What is your view?

A. I think on negotiations that it's absolutely crazy to talk about negotiating with people with guns and bombs. These people are going to be offered a chance, I am certain, to come back into the political process, the democratic process, to have a right to elect their representatives if they have the votes. That's the way democracy works.

As far as advisers, we're talking, I guess, about trainers. There's only a handful of advisers here from the military group, but the trainers, you know, were about something in the neighborhood of 50 today.

Q. We'll all recall about a year ago the people in El Salvador voted on a Sunday, which we—

A. Overwhelmingly.

Q. Right. And the results were slightly ambiguous, but it was clear that they were voting for stability. Is that correct in your view?

A. They were voting for peace, and they wanted violence to end, and they wanted to give democracy a chance. Now they've formed a government of

national unity where all the parties are working together, and that government has slowly been evolving a new peace program with a Commission on Human Rights that's official; a Peace Commission, which will be a conduit to those people on the extreme left who want to come in and participate in elections. The program is going forward on many fronts. They're going to formulate an amnesty. They are considering the release of political prisoners at the appropriate moment. And this government while it—you know, they work by consensus and it is slow, is working.

Q. What is your assessment of the threat to the Government of El Salvador? There are conflicting views as to just how important the guerrilla movement has gone these days as far as achieving on the battlefield their objectives.

A. I think it's evident that the guerrillas have won a couple of rounds in a continuing conflict. They certainly haven't won and they're not imminently likely to win the war. But if we do not provide more military assistance, the army here, which is short of trained and well-equipped troops—we had a plan to do more, and then the Congress turned the money down last year. That gave heart to the guerrillas. It kept the war going. It will result in more people being killed, but with resources, this army can hold. They're not about to lose, and I think it's perfectly clear that what they need is some ammunition and some more trained and equipped units.

Q. In your view, is it just a question of money and resources or do you

think that more American advisers or trainers have to be sent to El Salvador?

A. I have made my recommendations to the Secretary of State in Washington on the trainers issue; I think that will be worked out in Washington with the various concerned—Defense and State and the White House and the National Security Council in consultation. I'd love to tell you what my recommendations are, but I don't think that that's exactly what we should put on ABC television, if you'll forgive me.

Q. You said a moment ago that the government is not about to lose. Let's look at it from the other direction. Perhaps it is because of Korea and Vietnam and other experiences that Americans—many of them—think it's almost impossible to win any war. Is it possible? And if not, why is it not possible for these 6,000, and I guess that's the accepted number, of the guerrillas to be beaten militarily?

A. Six to eight.

Q. Is this within the realm of possibility? To win the war?

A. Everything is possible. It's a function of resources and training. What we need to do is to be sure these people don't run out of ammunition, of the resources of the radios, of the medical equipment, of the trucks, of the helicopters, of the rifles. This is needed to defend this democracy.

Q. Yes, but the question is often asked why should we support the regime down there? The death squads operate. There have been at least seven Americans whom we know have been murdered in El Salvador and no one convicted yet. Why should we support that government?

A. You have a government that is trying, after 50 years of military dictatorship, to play by democratic rules. It is carrying out social reforms. Just Thursday of this past week, the assembly renewed the third phase of the land reform program for another 10 months. This is a government that is trying, under terrific pressure from an armed guerrilla terrorist movement supported by Nicaragua and Cuba. It is a government that has a peace program that makes sense.

They have an effort—an increasing effort—to correct the abuses. Of course, they're terrible, and they're unacceptable, but these people are going in the right direction.

Q. Some of the people on the other

side, however, are opposing increased aid and cite the public statements by Central American and Mexican Government officials calling really for negotiation and accommodation and including the disaffected left and the government and all the rest, and they say they are not as alarmed as we, farther to the north, are. Do they talk a different game in private than they do in public, some of these Central American leaders?

A. I think there's negotiation and negotiation in the first place. It is perfectly clear to me that throughout the Central American isthmus, there is great alarm and concern over Nicaragua. What it is doing in excursions into northern Costa Rica: the terrorist acts in San Jose; their incursions into Honduran territory. The continuing flow of arms and trained men into El Salvador is a source of concern to everyone. And as one watches the tightening of the Marxist control and the imposition of a police state in Nicaragua, it becomes a greater source of concern.

Negotiations between governments makes sense; the Hondurans, the El Salvadorans, the Costa Ricans are all ready to put the regional problems on the table and see if there isn't a political solution to be negotiated between governments.

Q. Do you buy the domino theory? If El Salvador should fall to the guerrillas, would other states in that area inevitably fall?

Q. Inevitably is a strong word, but I

think the chances would be great. The domino theory that I do buy is that with democracy in Costa Rica, Honduras, and El Salvador, it's going to work in reverse one of these days, and we're going to have a democratic government in Nicaragua which is what the Sandinistas and other political leaders promised their people in 1979.

Q. The Pope is spending several days traveling in your part of the world. What impact has he had, would you say?

A. I think it's tremendous. And, you know, the heckling in Nicaragua and the sort of party members pushing their representatives to the fore with bullhorns to heckle the Pope, I think that gives us a picture. Everybody is very very excited, and expectant and enthusiastic.

Q. What about the security precautions? Do you know anything about this plot—that apparently there is some evidence concerning—against the Pope's life?

A. Yes, I think the evidence was that something rather drastic was cooking from the left. I am not sure if it was an assassination plot, but it could have been. It's an old technique to do things like this and then blame the government or the right. Various people from Hitler on, through the Communists and other places, have done it.

¹Taped earlier and broadcast by satellite from San Salvador. ■

Ambassador Kirkpatrick Interviewed on "Meet the Press"

Ambassador Jeane J. Kirkpatrick, U.S. Permanent Representative to the United Nations, was interviewed on NBC-TV's "Meet the Press" on March 6, 1983, by Bill Monroe, moderator; Marvin Kalb, NBC News; Pat Buchanan, Chicago Tribune syndicate; Karen DeYoung, The Washington Post; and Morton Kondracke, New Republic.

Q. When the Pope arrived in El Salvador this morning, the President of El Salvador announced, among other things, that there'd be elections by the end of the year, an amnesty program, and a Peace Commission

that he said would set up mechanisms to guarantee full democratic participation. I think that's a direct quote. Is that something that the U.S. Government could agree with, and what do you think he has in mind?

A. Of course, we would agree with it. We would not only agree with it, but we would, of course, welcome it.

Q. What does that mean, the full democratic participation? Does that mean dialogue?

A. I think what that means is that he's hoping that the Peace Commission will establish rules governing the election and also any amnesty program that

would provide an opportunity for full participation in the democratic process of all groups in Salvadoran society.

Q. But that means that the election is what we're talking about—

A. That's right. We're talking about—

Q. —but not a dialogue proceeding the election.

A. You know, dialogue is one of those magical words. I think we're talking about democratic elections. We're talking about an amnesty program, in which persons who are willing to give up bullets and turn to ballots presumably can all participate in, and some sort of security program that would provide opportunity for full participation of all sectors of Salvadoran society in those democratic elections.

Q. Aside from the different words that are used about full democratic participation, does this represent a change in the government's position?

A. I think what it represents is the establishment of institutional mechanisms, and, of course, there is a change in that President Magana also announced that the elections would be held during this calendar year.

Q. But none in the sense of a dialogue with the Marxist rebels and the government starting prior to the election itself?

A. You know, I really don't know quite what that means.

Q. I could ask it again.

A. Okay, why don't you?

Q. Alright. I think the point here has been the U.S. Government and the Government of El Salvador have opposed a dialogue being established prior to the election between the government and the Marxist rebels trying to unseat that government. Is this statement now to say that that dialogue can begin prior to the election?

A. I take it that to establish an amnesty program and provide for the conditions for full participation of all elements in Salvadoran society willing to participate in those democratic elections would require some discussion between them.

Q. Which is an opening then to begin a dialogue between the two competing sides prior to an election, if I understand you right.

A. I take it that it would involve inevitably any kind of discussions necessary to establish open elections, in which

all parts of the society could participate in those democratic elections.

Q. Including those two major parties I mentioned?

A. Including any party. I think President Magana has been very clear when he said, "mechanisms to guarantee full democratic participation." I think he meant full democratic participation.

Q. The New York Times said last week, "Americans can best help by not seeing the war as an expression of the East-West conflict." Do you see the war in El Salvador as an expression of the East-West conflict?

A. You quote the *Times*; I'll quote myself—in a speech recently that what is perfectly clear is that there's a very large Eastern presence in Central America and the Caribbean today in the form of Soviet arms—Soviet bloc arms, I should say—training, a lot of advice on guerrilla warfare, but most especially arms, steady inflow of arms.

There's also a large Eastern presence in a sort of cultural offensive, with radio and television saturation in some areas, a very large program for Radio Venceremos out of Cuba, for example, large effort of radio and television, offensive out of Nicaragua now to adjoining countries like Costa Rica; very large fellowship programs, hundreds for example of fully funded fellowship programs for Costa Rica, Panama, et cetera. Those constitute a kind of large Eastern presence in Central America.

Whether there is a Western response to this, I think, depends on the decision of the American people and the American Congress, quite bluntly. Otherwise, it's just an Eastern offensive on our southern borders.

Q. Do you see the outcome of the war in El Salvador as being decisive in terms of the war in Central America? In other words, if hypothetically El Salvador should fall to the guerrillas or Marxists, do you think that would pretty much determine the fate of Guatemala and Honduras and Central America, and how vital is that to the national security interests of the United States?

A. One of the things that most surprised me during my trip in the region—which included Panama, Costa Rica, Honduras, El Salvador, and Venezuela—was the extent to which they see the outcomes of the Salvador conflict. Given the presence of Nicaragua today and its powerful military machine, they see it as relevant

to their fate. And they talk a great deal about contagion. They talk a great deal about the contagion of the effects from Salvador to Honduras and Guatemala and Costa Rica and Panama and, eventually, Mexico. They think that it would be very difficult to contain that contagion. They say that this is a very culturally homogenous region, that there aren't many barriers.

Q. The Administration has said repeatedly that it's not seeking a military solution in El Salvador. Yet it seems like we've been unable to work out any kind of political or diplomatic end to the fighting there; in fact, the fighting seems to have gotten worse. When it was first reported earlier this week that there were early elections planned, the guerrillas have already rejected that. Do we have a long-term strategy there? Do we just expect them eventually to give up? I'm not sure I understood your answer to the question before in terms of whether in the long term we are willing to let them sit down and negotiate some kind of power with the government there.

A. Certainly, we hope very much that the guerrillas in El Salvador will just give up, as it were, the pursuit of power by military—it's they who are seeking a military solution, if I may say so. We hope they'll give up the pursuit of power by military means. We hope that they'll be willing to accept democratic elections and a democratic solution to the political problems and compete for power by peaceful democratic methods rather than by military methods. That is certainly our hope. And our strategy, I suppose, is designed to try to encourage that kind of democratic political solution for El Salvador and, indeed, for the region.

Q. But they've said that they will not participate in elections unless there is some discussion of structural changes in El Salvador before they even begin to talk about elections. If they won't participate in elections and if they're committed to keep on fighting, what is our strategy at that point?

A. They said various things. You know, they have said from time to time that they wouldn't participate in elections because they didn't feel that their security would be guaranteed. They didn't think they would be safe. They thought they might be shot, for example, as they left the polling places or just

WESTERN HEMISPHERE

after or something. And sometimes they say they won't participate in elections at all. We hope that they will change their minds and be willing, in fact, to give up the search for a military solution and join in democratic elections for El Salvador. The ultimate political solution, you know, is democratic elections. The ultimate powersharing arrangement is democratic elections.

Q. We've been on this same track before, last year. Do we have any reason to believe that it's going to work better this time than it did last time, particularly considering they're in a better military position now than they were last year?

A. Oh, I think so. For one thing, the Government of El Salvador today is, in a very real sense, stronger. Today El Salvador has a democratic government, and it will be a democratic elected government, which itself has much more legitimacy in the society running its own elections. I think that's new and different. By the way, that makes a big difference in the way that other countries in the region feel about it. Costa Rica, for example, is enormously encouraged by the spread of democratic institutions in the region, in Honduras and El Salvador.

Q. She [Karen DeYoung] said that the military situation seemed to be much worse than it had been before. You were quoted when you were down there as saying that the guerrillas were nearly beaten, and you were quoted in the paper today as saying that the situation was not that "dicey." Yet you're reported to have delivered a report to the President that was exceptionally gloomy, and at a White House meeting on Monday, you apparently inspired people to think that the situation was critical. Which is it?

A. I can't take the responsibility for the way I'm reported, if I may say so. I can do my best to make clear what I think about it.

My comment out of Honduras came in response to a question by a Swedish reporter, whose question assumed—he asserted that the military situation in El Salvador had deteriorated from the point of view of the government very dramatically in the previous 2 years and that the guerrillas were much closer to a military victory than they had been 2 years previously.

I said to him that was not the case. And I reminded him that the leader of the Salvadoran Communist Party, Shafik Handal, had written in the fall of

1980 that they expected fully to achieve a full military victory through their so-called final offensive in the month of December; then they postponed to January of 1981. And I said, as we all knew, they had not achieved that military victory in the "final offensive" and that now no one even was expecting such a full victory by a "final offensive." That got a little distorted in the reporting from Honduras, but that's what happened.

Q. But the reports out of El Salvador are that the guerrillas are able to do things militarily that they have not been able to do before, and the reports from the President—from the White House—describe the situation as critical. Some people say that there's not enough ammunition to last more than 30 days. That has been contradicted by other Administration statements. What is the military situation down there?

A. First of all, let me just say, as you know, I'm not a military expert. I'm no expert on military affairs. I will tell you my understanding of the situation without any great claims for reliability of my military—I don't have any independent judgments on this. That's what I want to say.

There is a general view that the guerrillas today are better trained than they were 2 or 3 years ago; that their arms are more sophisticated, in some cases more sophisticated than those of the Government of El Salvador. That, as I understand it, is no critical military problem at this time, but it would be if the United States did not continue military assistance to El Salvador at the levels that it has been sustaining that and at the levels that the Soviet bloc is ultimately providing arms to the guerrillas. That's really the point; that it could happen if the Soviets continue to provide arms at the rate they have been providing them, and we don't provide comparable to the Government of El Salvador, then there could indeed be a very serious situation.

Q. The Administration wants \$60 million right now from the Congress, right? That's in military aid to El Salvador.

A. Right.

Q. On the face of it, that doesn't seem like a great deal of money, considering sometimes billions that the United States has given out. Why do you think there is this kind of an

outroar then? Why does the Congress seem to be so resistant to the thought?

A. First of all, I don't think the United States generally and Americans generally, including our policymakers, have thought very seriously about Latin America—maybe since John Kennedy actually. He may have been the last President to give much very serious thought to Latin America and the whole importance of this hemisphere to us. And I don't think we probably ever gave much thought to Central America and the Caribbean, quite frankly. So I don't think that there's a very good or accurate perception of the relevance of the area to us and to our national security and well-being, for one thing.

And for another, I think that just because the decision was made, for reasons of legislative tactics, to delay the request for sustaining military assistance at the same level as last year until later, as it were, and not deal with it at the time that all the other aspects of the assistance bill were being dealt with last year, it causes more attention to be focused on it now that it's necessary to deal with it.

Q. When Ronald Reagan was elected, it was said that the United States had gotten over the policy paralysis induced by Vietnam, that we're ready to play our role in the world again. But back in Vietnam in 1968, for better or worse, we were spending \$30 billion a year and had half a million troops 10,000 miles away to prevent a Communist takeover in Vietnam. We are now arguing over the \$60 million figure in El Salvador, whether or not there should be 37 or 55 advisers, whether or not the advisers should be allowed to carry an M-16 rifle. Now does this not suggest that the policy paralysis endures in the United States, in Washington, D.C.?

A. I think it does suggest that there's a certain distortion in our consideration of the whole possibility of the use of American power and the dangers of the use of American power in the world. The truth is we've used American power and American strength—economic and military, not arms I mean, but assistance—in a good many cases in the period since World War II. Most of the times, we've used that successfully and with very good consequences for the people involved.

Vietnam is, I think, our colossal failure. And there is a kind of, I think,

terrible sort of Vietnam hangover still that afflicts some sectors of our policy—our policy community—with very negative, distorting kinds of effects on any consideration of the American role in the world today.

Q. You mentioned that we have not given Central America or Latin America the attention it deserves. To what extent is that the fault of this Administration, which has not given, I guess, Central America or El Salvador the sort of attention it gives the Middle East and the situation in Europe. Has the Administration focused on it? Has the President addressed the issue and told the American people its im-

portance to the extent that you would like to see?

A. The President is certainly doing so now. I said clearly that I didn't think that American Governments had paid as much attention to Latin America, probably since John Kennedy, as I think it deserves. Now I think in this Administration, the President entered with a greater sensitivity to Latin America, mainly as a consequence of his experience as Governor of California. For a variety of reasons, I think we have perhaps been diverted from as much focus on it as I might have hoped, but I think it's being rapidly corrected.

Q. I'd like to go back a little bit to

El Salvador Announces Peace Commission

DEPARTMENT STATEMENT,
FEB. 24, 1983¹

We are pleased that the Government of El Salvador has moved forward with the establishment of the Peace Commission whose formation was envisioned in the August 1982 pact of Apaneca. Of particular importance, in our estimate, is that the Peace Commission, along with the previously formed Political and Human Rights Commissions, has the endorsement of the major political parties in the country and thus broad popular support.

Both in spirit and substance, the announcement of the formation of the Peace Commission demonstrates the priority political reconciliation will receive in anticipation of El Salvador's March 1984 presidential elections. As President Magana indicated in his announcement, this reaffirms the "unwavering decision to maintain peace . . . [and the] firm determination to establish respect and tolerance for different ideologies in order to achieve a pluralistic, democratic, and just society." The government's proposal, President Magana stated, underlies the point that "the solution to the problem of violence must be essentially a political and democratic one." The president noted that the commission's success would depend upon an end to "the irrational strategy of violence, destruction, and

revenge" regardless of what ideology motivates it.

DEPARTMENT STATEMENT,
MAR. 1, 1983²

The United States is fully committed to the democratic process in El Salvador and to a political resolution of the situation there. In that regard, we are pleased to note that yesterday, President Magana swore in the three members of the El Salvador Peace Commission.

In his speech announcing the members, President Magana outlined the objectives of the commission: (1) revision of the amnesty law and its efficient and just implementation; (2) the creation of adequate social conditions and improvement in mechanisms to insure peace, i.e., elections, communications, and so forth; and (3) promoting the participation of all social and political sectors in the democratic process.

We view the announcement as providing an institutional basis for national reconciliation in El Salvador within the electoral framework and look forward to progress as the commission pursues its objectives.

¹Read to news correspondents by acting Department spokesman Alan Romberg.

²Read to news correspondents by Department spokesman John Hughes. ■

last summer around the time of the resignation of Secretary of State Haig. At the time, it was said that you were involved in some policy disputes with him, and we can argue about whether or not that was true, but I think it was—you would agree that there was some confusion about who was speaking for foreign policy, who was making foreign policy. It's assumed now that you have the ear of President Reagan. Over the past few weeks, as we've seen the Central America issue come up again, Secretary Shultz has not had very much to say about it other than one day of testimony on Capitol Hill. And yet, we've seen your trip to Central America, a number of newspaper interviews, television interviews. Are you running Central American policy now?

A. I should say not. I should say not. You know, there's a very strange kind of a notion that there's something inappropriate, as it were, about people who sit in the Cabinet and sit on the National Security Council having an opportunity to talk to the President about policies of concern to the Administration. The fact is every member of the U.S. Cabinet has the opportunity to talk to the President about questions that concern them. Every member of the National Security Council has that opportunity, too. That's almost part of the definition, by the way, is that you can speak to the President about things that concern you.

I made the trip to Central America because the President asked me to, and Secretary Shultz asked me to, I may say. Secretary Shultz was going someplace else at that time, on another very important trip, as I know you know.

The Vice President was going to a third area of the world on another very important trip. And there was a lot of public attention to those trips immediately on their return. Now there's a little more attention to my Central American trip, but I think that's more a matter of media focus than anything else, quite frankly.

Q. President Reagan has dismissed any parallel between El Salvador and Vietnam in a sense that he says that American ground troops will not be sent there, and yet he revives the domino theory, saying that if the communism isn't stopped in El Salvador, it may come all the way up to the southern border. My question

is, if that's the case, if that's the danger and it's that kind of threat to national security, why rule out the use of U.S. troops, and under what circumstances would U.S. troops be advisable?

A. I want to go back and say something in response to Ms. DeYoung's question, if I may, that's relative to yours.

It's the President who speaks for the Administration. It was the President last summer and it's the President right now who speaks for the Administration. And when the President refers to a domino theory, it's mainly because everybody else talks about dominoes. They say in Central America that you North Americans are always talking about dominoes. I think they think it's the national pastime.

So far as I know, there has been no discussion at any level in our government by anyone, certainly in any authoritative role, of any use of American troops. We cannot imagine circumstances under which it would be necessary. We're quite sure that if we make wise, prudent policy decisions now to deal with the problems as they exist in Central America today, we will never be confronted with the necessity of using American troops in this Hemisphere.

Q. You were said to be against the idea of a two-track policy of negotiations and supplying more military aid. That was suggested by the State Department. Is that accurate? And if it's not accurate, how did the reports come to be so persistent?

A. One, I don't know. I was out of the country. Two, I'm in favor of a multitrack approach. I'm very strongly in favor of increased economic aid, let me say, rapidly increased economic aid, humanitarian aid. I'm also in favor of anything we can do to promote a political solution through democratic elections. ■

Caribbean Basin Initiative Legislation

**PRESIDENT'S STATEMENT,
FEB. 16, 1983¹**

In December, I pledged that the Caribbean Basin initiative would be among the very first pieces of legislation that I would submit to the 98th Congress, and today I have taken the opportunity to focus again on this initiative, which is close to my heart and one of my highest priorities.

As you know, last year the Caribbean Basin initiative enjoyed strong, bipartisan support and was actually passed by the House. It is essential that we renew our efforts now to complete this vital task.

When we think of our country's security—about strategic areas absolutely essential to our safety—certainly the Western Hemisphere must top the list. If we cannot respond to upheavals in our own front yard, how can we expect to play a strong role for peace in the faraway Middle East, for example?

Today our democratic neighbors in the Caribbean Basin area are confronted with unprecedented political and economic pressures. Aid is important, but it is not enough. We must help these countries to renew their economies and strengthen their democracies. We must open new markets and encourage investment and business expansion, which, I would stress, will lead to direct benefits to the U.S. economy. The tax and trade provisions of the Caribbean Basin initiative that we are seeking are the essential elements that would make our program more promising than past efforts; leaving them out would gut the program of its greatest strengths.

There are those who believe it takes a general crisis to get action out of Washington. We cannot afford to wait for a crisis to erupt so close to home. It has been almost a year since I met with Caribbean leaders in Barbados. Their people believe in democracy and want nothing more than an opportunity to live and work in freedom. We owe it to them—but more importantly, to ourselves—to follow through on a program so vital to the well-being of our closest neighbors.

It is no coincidence that I have concentrated considerable efforts on the Western Hemisphere over these last 2 years. Shortly after my election, I

visited the President of Mexico and have forged close ties with his successor. The first head of state to visit the White House during my Administration was Prime Minister Seaga from Jamaica. And just a few months ago I visited South and Central America, meeting with six neighboring heads of state. Since entering office it has been my privilege to have conferred directly with the leaders of 15 donor and recipient nations of the Caribbean Basin initiative.

But I cannot do it alone. Success will require a bipartisan legislative effort; it is the only way we can finish the job we started last year and put into effect the tax and trade provisions of the Caribbean Basin initiative. If there is one thing I have learned since getting to the White House, it is that we have got to work together if anything is to be accomplished. I am counting on men and women of both parties—as represented by today's visitors—to work with me in securing this vital program for progress in the Caribbean region and greater security, freedom, and prosperity for all the Americas.

**MESSAGE TO THE CONGRESS,
FEB. 18, 1983²**

Last year I proposed a major new program for economic cooperation for the Caribbean Basin. I am pleased to report that the aid portion of the Caribbean Basin Initiative was acted upon last year, and that the region has already reaped some of the benefits from the \$350 million of this emergency assistance. However, while the House of Representatives also approved the trade and tax portions of this integrated program, Congress adjourned before favorable consideration could take place in the Senate. Today I am transmitting to the Congress for swift action the trade and tax plan as approved by a majority of members during the last session.

The economic, political, and security challenges in the Caribbean Basin are formidable. Our neighbors are struggling to keep up with the rapidly changing global economic system, while striving to develop or nurture representative and responsive institutions. These tasks would be burden enough for any nation, but they are also being forced to defend themselves against attempts by externally-supported minorities to impose an alien, hostile, and unworkable system upon them by force. These challenges must be faced foursquare. The alternative is further expansion of political violence from the extreme

left and the extreme right, leading inevitably to further economic decline, and more human suffering and dislocation.

The economic crisis facing most of the Basin countries is acute. Deteriorating trade opportunities, worldwide recession, mounting debt burdens, growing unemployment, and deep-seated structural problems are having a catastrophic impact throughout the region. These developments have forced thousands of people to emigrate and have left even the most established democracies severely shaken. This is a crisis we cannot afford to ignore.

The emergency funding approved last year has helped these fragile economies cope with their mounting balance-of-payments problems. I must stress, however, that the trade and tax portions I am transmitting today are designed to improve the lives of the peoples of the Caribbean Basin by enabling them to earn their own way to a better future. At the same time, given the interdependence between U.S. and Caribbean

Basin economies, this bill will also benefit the U.S. by expanding markets for our exports and hence improving U.S. job opportunities. It should also reduce the pressures of economically-inspired immigration into this country from the region.

Thanks to the cooperative, bipartisan spirit with which this program has been considered, and the changes that were made last year by Congress to ensure beyond any doubt adequate safeguards for domestic interests, I am hopeful that the Caribbean Basin Initiative will be acted upon with maximum speed by the Congress.

RONALD REAGAN

¹Issued by the Office of the Press Secretary following the President's meeting with a bipartisan group of Congressmen to discuss the proposed legislation (text from Weekly Compilation of Presidential Documents of Feb. 21, 1983).

²Text from Weekly Compilation of Presidential Documents of Feb. 21. ■

sought. In fact, most of the recommendations made by the National Association of Broadcasters in a letter dated November 16, 1982, to all members of the Senate have been incorporated in this bill. The most important of these accommodations is not to establish a new station on the commercial portion of the AM band (535 kHz to 1605 kHz), other than possibly on 1180 kHz, which has been allocated to and used by the government for Voice of America broadcasting to Cuba for over 20 years.

Although the accommodations made in this new bill are significant, the bill, as introduced, gives the Administration the options necessary to insure that radio broadcasting to Cuba would be done right.

Broadcasters' concerns over Cuban interference with U.S. AM broadcasting are not new; this is a significant problem that has been growing over the past 15 years. The Cuban Government, in its efforts to defeat this bill, has sought to give the impression that interference would increase. The Administration has stated repeatedly that this is a peaceful, legal, and nonconfrontational foreign policy initiative in the national interest patterned after the successful models of Radio Free Europe and Radio Liberty. The Administration believes that we should not allow our foreign policy to be determined by threats of the Cuban Government. We believe that the Congress and American broadcasters share that determination, and we look forward to early passage of this important legislation.

¹Made available to news correspondents by acting Department spokesman Alan Romberg. ■

Radio Broadcasting to Cuba

DEPARTMENT STATEMENT, FEB. 25, 1983¹

On February 24, 1983, Senator Hawkins [Paula Hawkins (R.-Fla.)] introduced the Administration's bill on radio broadcasting to Cuba in the Senate. This follows a period of close consultation with radio broadcasters, the National Association of Broadcasters, and key members of Congress. The objective of these consultations was to find a formula for the radio broadcasting to Cuba bill which would attract the widest possible support.

In a meeting on February 22, 1983, with a bipartisan group of legislators, President Reagan stressed that the Administration believes strongly that the Cuban people have the right to know what is going on in their country and about their government's activities around the world. This bill is designed to create a radio which will make such information available to the Cuban people—information that is now denied them by their own government. In the distinguished tradition of Radio Free Europe/Radio Liberty, the proposed broadcasting will be a reliable source of accurate, objective news and information. This is a peaceful foreign policy initiative, designed not to provoke a confrontation with Castro but to promote

the free flow of ideas and the truth. Last year, in the 97th Congress, a bill authorizing the creation of such a radio passed the House of Representatives with bipartisan support by an almost 2-1 margin and was reported favorably, also with bipartisan support, by the Senate Foreign Relations Committee.

American broadcasters have had a number of concerns about the bill, primarily that the establishment of broadcasting to Cuba would result in an increase in longstanding Cuban interference with U.S. AM broadcasting. The Administration did its utmost to reach a compromise that responded to those broadcasters' concerns, as well as to the national interest. However, in the end, the Administration did not believe that all of the modifications requested by the National Association of Broadcasters could be accommodated consistent with the establishment of effective radio broadcasting to Cuba.

Nevertheless, we believe the bill introduced on February 24, which contains significant accommodations to the concerns of broadcasters, meets in almost all respects the provisions they have

TREATIES

Current Actions

MULTILATERAL

Antarctica

Recommendations relating to the furtherance of the principles and objectives of the Antarctic Treaty (TIAS 4780). Adopted at Buenos Aires July 7, 1981.¹

Notification of approval: U.S., Feb. 24, 1983.

Atomic Energy

Statute of the International Atomic Energy Agency. Done at New York Oct. 26, 1956. Entered into force July 29, 1957. TIAS 3873. Acceptance deposited: Namibia, Feb. 17, 1983.

Agreement extending the agreement of June 26, 1979 (TIAS 9627) on research participation and technical exchange in the U.S. power burst facility (PBF) and heavy section steel technology (HSST) research programs and the Nordic Group's water reactor safety research programs. Effected by exchange of letters at Washington and Nykoping Oct. 8 and Dec. 23, 1982. Entered into force Dec. 23, 1982; effective Aug. 28, 1982.

Coffee

Extension of the international coffee agreement, 1976 (TIAS 8683). Done at London Sept. 25, 1981. Entered into force Oct. 1, 1982. TIAS 10439.

Definitive acceptance deposited: Singapore, Feb. 3, 1983.

Commodities—Common Fund

Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.¹

Ratification deposited: Cameroon, Feb. 1, 1983.

Customs

Amendments to the customs convention on the international transport of goods under cover of TIR carnets of Nov. 14, 1975. Adopted by the administration committee for the TIR convention 1975 at Geneva Oct. 23, 1981.

Entered into force: Oct. 1, 1982.

Education—UNESCO

Convention on the recognition of studies, diplomas, and degrees concerning higher education in the states belonging to the Europe region. Done at Paris, Dec. 21, 1979. Entered into force Feb. 19, 1982.²

Ratification deposited: Denmark, Dec. 9, 1982.

Expositions

Protocol revising the convention of Nov. 22, 1928 (TIAS 6548) relating to international expositions, with appendix and annex. Done at Paris Nov. 30, 1972. Entered into force June 9, 1980. TIAS 9948.

Accessions deposited: Argentina, Bolivia,

Chile, El Salvador, Mexico, Nicaragua, Peru, Dec. 7, 1982; Costa Rica, Venezuela, Nov. 23, 1982; Cuba, Nov. 17, 1982; Panama, Dec. 3, 1982.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976. Entered into force Nov. 30, 1977. TIAS 8765.

Accession deposited: Belize, Dec. 15, 1982.

Genocide

Convention on the prevention and punishment of the crime of genocide. Adopted at Paris Dec. 9, 1948. Entered into force Jan. 12, 1951.²

Accessions deposited: Gabon, Jan. 21, 1983.

Human Rights

International covenant on civil and political rights. Done at New York Dec. 16, 1966. Entered into force Mar. 23, 1976.²

Accessions deposited: Afghanistan, Jan. 24, 1983; Gabon, Jan. 21, 1983.

International covenant on economic, social, and cultural rights. Done at New York Dec. 16, 1966. Entered into force Jan. 3, 1976.¹

Accessions deposited: Afghanistan, Jan. 24, 1983; Gabon, Jan. 21, 1983.

Judicial Procedure

Convention on the taking of evidence abroad in civil or commercial matters. Done at The Hague Mar. 18, 1970. Entered into force Oct. 7, 1972. TIAS 7444.

Accessions deposited: Cyprus, Jan. 13, 1983.

Marriage

Convention on consent to marriage, minimum age for marriage, and registration of marriages. Done at New York Dec. 10, 1962. Entered into force Dec. 9, 1964.²

Accession deposited: Guatemala, Jan. 18, 1983.

Nuclear Material—Physical Protection

Convention on the physical protection of nuclear material, with annexes. Done at Vienna Oct. 26, 1979.¹

Ratification deposited: U.S., Dec. 13, 1982.

Patents

Patent cooperation treaty, with regulations. Done at Washington June 19, 1970. Entered into force Jan. 24, 1978, except for Chapter II which entered into force Mar. 29, 1978.³ TIAS 8733.

Accession deposited: Mauritania, Jan. 13, 1983.

Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Done at New York Dec. 21, 1965. Entered into force Jan. 4, 1969.²

Ratification deposited: Guatemala, Jan. 18, 1983.

Safety at Sea

Proces-verbal of rectification to the international convention for the safety of life at sea, 1974 (TIAS 9700). Done at London Dec. 22, 1982.

Space

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow Mar. 29, 1972. Entered into force Sept. 1, 1972; for the U.S. Oct. 9, 1973. TIAS 7762.

Ratification deposited: Italy, Feb. 24, 1983.

Telecommunications

International telecommunications convention with annexes and protocols. Done at Malaga-Torremolinos Oct. 25, 1973. Entered into force Jan. 1, 1975; for the U.S. Apr. 7, 1976. TIAS 8572.

Ratification deposited: Sudan, Oct. 21, 1982.

Radio regulations, with appendices and final protocol. Done at Geneva Dec. 6, 1979. Entered into force Jan. 1, 1982, except for (1) arts. 25 and 66 and appendix 43 which entered into force Jan. 1, 1981 and (2) certain provisions concerning aeronautical mobile service which entered into force Feb. 1, 1983. Approval deposited: Hungary, Oct. 26, 1982.

Terrorism

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Done at New York Dec. 14, 1973. Entered into force Feb. 20, 1977. TIAS 8532.

Ratification deposited: Guatemala, Jan. 18, 1983.

Trade

U.N. convention on contracts for the international sale of goods. Done at Vienna Apr. 11, 1980.¹

Accession deposited: Syrian Arab Republic, Oct. 19, 1982.

Protocol extending the arrangement regarding international trade in textiles of Dec. 20, 1973, as extended (TIAS 7840, 8939). Done at Geneva Dec. 22, 1981. Entered into force Jan. 1, 1982. TIAS 10323.

Acceptances deposited: Peru, Jan. 5, 1983; Yugoslavia, Jan. 18, 1983.⁴

U.N. Industrial Development Organization

Constitution of the U.N. Industrial Development Organization, with annexes. Done at Vienna Apr. 8, 1979.¹

Signature: Cape Verde, Jan. 28, 1983.

Ratification deposited: Rwanda, Jan. 18, 1983; Venezuela, Jan. 28, 1983.

Whaling

International whaling convention and schedule of whaling regulations, as amended by 1956 protocol. Done at Washington Dec. 2, 1946. Entered into force Nov. 10, 1948. TIAS 1849, 4228.

Adherence deposited: Finland, Feb. 23, 1983.

Wheat

1981 protocol for the sixth extension of the wheat trade convention, 1971 (TIAS 7144). Done at Washington Mar. 24, 1981. Entered into force July 1, 1981; for the U.S. Jan. 12, 1982. TIAS 10350.

Acceptance deposited: Netherlands, Feb. 18, 1983.⁵

1981 protocol for the first extension of the food aid convention, 1980 (TIAS 10015). Done at Washington Mar. 24, 1981. Entered into force July 1, 1981; for the U.S. Jan. 12, 1982. TIAS 10351.

Acceptance deposited: Netherlands, Feb. 18, 1983.⁵

Women

Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.²

Ratification deposited: Gabon, Jan. 21, 1983.

World Heritage

Convention concerning the protection of the world cultural and natural heritage. Done at Paris Nov. 23, 1972. Entered into force Dec. 17, 1975. TIAS 8226.

Ratifications deposited: Cameroon, Dec. 7, 1982; Mozambique, Nov. 27, 1982.

BILATERAL**Bangladesh**

Agreement amending the agreement for sales of agricultural commodities of Mar. 8, 1982 (TIAS 10483). Effected by exchange of notes at Dhaka Dec. 30, 1982. Entered into force Dec. 30, 1982.

Agreement amending the agreement for sales of agricultural commodities of Mar. 8, 1982 (TIAS 10483). Effected by exchange of notes at Dhaka Feb. 6, 1983. Entered into force Feb. 6, 1983.

Brazil

Memorandum of understanding concerning cooperation in aerospace experiments employing sounding rockets. Signed at Brasilia Jan. 31, 1983. Entered into force Jan. 31, 1983.

Bulgaria

Agreement extending the agreement of June 13, 1977 (TIAS 9020), as extended, on exchanges and cooperation in cultural, scientific, educational, technological, and other fields. Effected by exchange of notes at Sofia Mar. 25 and Apr. 9, 1982. Entered into force Apr. 9, 1982.

Canada

Agreement concerning the test and evaluation of U.S. defense weapons systems in Canada. Effected by exchange of notes at Washington Feb. 10, 1983. Entered into force Feb. 10, 1983.

Dominican Republic

Agreement for sales of agricultural commodities, relating to the agreement of Sept. 28, 1977 (TIAS 8944), with memorandum of understanding. Signed at Santo Domingo Dec. 11, 1982. Entered into force Dec. 11, 1982.

El Salvador

Agreement for sales of agricultural commodities relating to the agreement of Jan. 22, 1981, as amended. Signed at San Salvador Dec. 15, 1982. Entered into force Dec. 22, 1982.

France

Convention on the transfer of sentenced persons. Signed at Washington Jan. 25, 1983. Enters into force on the first day of the second month after exchange of notifications of completion of constitutional procedures.

Agreement regarding participation in the U.S. NRC steam generator safety research project, with appendix. Signed at Washington and Paris Mar. 18 and June 8, 1982. Entered into force June 8, 1982.

Amendment to agreement of Mar. 18 and June 8, 1982 regarding participation in the U.S. NRC steam generator safety research project. Signed at Washington and Paris Oct. 8 and 22, 1982. Entered into force Oct. 22, 1982.

International Coffee Organization

Agreement relating to a procedure for U.S. income tax reimbursement. Effected by exchange of letters at London Dec. 17, 1982. Entered into force Jan. 1, 1983. Supersedes: Agreement of Mar. 20 and 25, 1980 (TIAS 9739).

International Sugar Organization

Agreement relating to a procedure for U.S. income tax reimbursement. Effected by exchange of letters at London Dec. 17, 1982. Entered into force Jan. 1, 1983. Supersedes: Agreement of July 10, 1980 (TIAS 9807).

Israel

Grant agreement to support the economic and political stability of Israel. Signed at Washington Dec. 16, 1982. Entered into force Dec. 16, 1982.

Japan

Agreement amending and extending the agreement of Jan. 28, 1980 (TIAS 9915) relating to space shuttle contingency landing sites. Effected by exchange of notes at Tokyo Nov. 11, 1982. Entered into force Nov. 11, 1982.

Liberia

Agreement extending the agreement of Jan. 11, 1951, as amended and extended (TIAS 2171, 8846), relating to a military mission. Effected by exchange of notes at Monrovia Dec. 12, 1980 and Jan. 15, 1981. Entered into force Jan. 15, 1981; effective Jan. 11, 1981.

Agreement on construction of additional facilities at Roberts International Airport. Signed at Monrovia Feb. 3, 1983. Entered into force Feb. 3, 1983.

Agreement for sales of agricultural commodities, relating to the agreement of Aug. 13, 1980 (TIAS 9841). Signed at Monrovia Dec. 17, 1982. Entered into force Dec. 17, 1982.

Agreement amending the agreement for sales of agricultural commodities of Apr. 6, 1982. Effected by exchange of notes at Monrovia Nov. 19 and Dec. 8, 1982. Entered into force Dec. 8, 1982.

Madagascar

Agreement for sales of agricultural commodities, relating to the agreement of Aug. 19, 1981 (TIAS 10218). Signed at Antananarivo Dec. 28, 1982. Entered into force Dec. 28, 1982.

Mauritius

Agreement for sales of agricultural commodities, relating to the agreement of June 29, 1979 (TIAS 9541), with minutes of negotiation. Signed at Port Louis Dec. 30, 1982. Entered into force Dec. 30, 1982.

Mexico

Agreement concerning land mobile service in the bands 470-512 MHz and 806-890 MHz along the common U.S.-Mexico border. Signed at Mexico June 18, 1982. Entry into force: Jan. 17, 1983.

Agreement relating to assignments and usage of television broadcasting channels in the frequency range 470-806 MHz (channels 14-69) along the U.S.-Mexico border. Signed at Mexico June 18, 1982.

Entry into force: Jan. 17, 1983.

Supersedes: Agreement of July 16, 1958 (TIAS 4089).

Agreement extending the air transport agreement of Aug. 15, 1960, as amended and extended (TIAS 4675, 7167). Effected by exchange of notes at Mexico Sept. 16 and Dec. 13, 1982. Entered into force Dec. 13, 1982.

Agreement extending the agreement of Jan. 20, 1978 relating to reduced air fares and charter air services (TIAS 10115). Effected by exchange of notes at Mexico Dec. 27, 1982 and Jan. 13, 1983. Entered into force Jan. 13, 1983.

Philippines

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Washington Nov. 24, 1982. Entered into force Jan. 1, 1983.

Senegal

Agreement amending the agreement for sales of agricultural commodities and memorandum of understanding of May 16, 1980 (TIAS

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10239). Effected by letter of July 14, 1982 at Dakar. Entered into force July 16, 1982.

Spain

Agreement concerning fisheries off the coasts of the U.S. with annexes and agreed minutes. Signed at Washington July 29, 1982. Entered into force: Jan. 17, 1983.

Sudan

Agreement for sales of agricultural commodities, relating to the agreement of Dec. 24, 1977 (TIAS 9157). Signed at Khartoum Jan. 20, 1983. Entered into force Jan. 20, 1983.

Sweden

Memorandum of agreement on the exchange of military personnel and on the general conditions which will apply. Signed at Washington Jan. 13 and 17, 1983. Entered into force Jan. 17, 1983.

Turkey

Agreement to support and promote the financial stability and economic recovery of Turkey. Signed at Ankara Dec. 17, 1982. Entered into force Dec. 17, 1982.

United Kingdom

Agreement extending the arrangement of July 20 and Aug. 3, 1977 (TIAS 8688) in the field of nuclear safety research and development. Effected by exchange of letters at Warrington and Washington Feb. 18 and June 11, 1982. Entered into force June 11, 1982; effective Aug. 3, 1982.

Venezuela

Memorandum of understanding relating to interim agreement on maritime matters. Signed at Washington Jan. 14, 1983. Entered into force Jan. 14, 1983.

¹Not in force.

²Not in force for U.S.

³Chapter II not in force for U.S.

⁴Subject to approval.

⁵Applicable to Kingdom in Europe. ■

February 1983

February 1

Honduran and U.S. troops conduct joint military exercises in Gracioso A Dios department Feb. 1-9, 1983.

February 2

Austrian Chancellor Bruno Kreisky makes an official working visit to Washington, D.C. Feb. 2-4.

President Reagan meets with six Afghan freedom fighters at the White House to express U.S. concern and sympathy for these people because of the continuing Soviet occupation of their country.

February 8

The United States formally joins the African Development Bank.

State Department submits annual human rights report to the Congress. The Report, required by U.S. law, reviews human rights practices in 162 nations including those nations receiving U.S. assistance and those that are U.N. members.

February 9

Nepalese Prime Minister Surya Bahadur Thapa, during a private visit to Washington, D.C. Feb. 9-16, meets with Vice President Bush Feb. 16 and with Secretary Shultz Feb. 14.

February 13

In the first contested presidential election in Cyprus in 22 years, the incumbent President of Cyprus, Spyros Kyprianou, is re-elected to a second 5-year term.

February 14

The Interim Committee of the Board of Governors of the International Monetary Fund agrees in its 20th meeting in Washington, D.C. to an increase in quotas by 47.4%.

State Department releases to Congress and makes public a new report on Soviet forced labor. The report stresses the Soviet policy of using forced labor as a punishment for crimes, as well as to build the country's economy.

February 15

By a vote of 28-9 with 4 abstentions, the U.N. Commission on Human Rights adopts a resolution calling for "immediate and unconditional withdrawal of foreign forces from Kampuchea."

February 16

President Reagan announces that Air Force AWACS reconnaissance planes have been sent to Egypt for exercises designated for training.

Norwegian Prime Minister Kaare Willoch makes an official working visit to Washington, D.C. Feb. 16-18.

By a vote of 29-7 with 5 abstentions, the U.N. Commission on Human Rights passed a resolution:

- Urging a political solution for Afghanistan based on self-determination free from outside interference;
- Calling for immediate withdrawal of foreign troops from Afghanistan.

February 22

During a private visit to the United States, Jamaican Prime Minister Edward Seaga is invited by President Reagan to receive the American Friendship medal.

February 23

Israeli ambassador to the United States, Moshe Arens, is confirmed as Israeli Defense Minister.

February 27

Her Majesty Queen Elizabeth II arrives for a 12-day official visit to the west coast. During the visit, the Queen will meet with President Reagan and other U.S. officials.

Chief Hiteswar Saikia is sworn in as Chief Minister of the Indian state of Assam following state elections. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

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*29	2/1	Program for the official working visit of Austrian Chancellor Bruno Kreisky, Feb. 2-4.
*30	2/1	U.S., Japan exchange notes on cooperation in fusion research and development.
*31	1/31	Shultz: arrival statement, Tokyo, Jan. 30.
32	2/2	Shultz: luncheon remarks, Tokyo, Feb. 1.
33	2/2	Shultz: news conference, Tokyo, Feb. 1.
34	2/3	Shultz: news conference en route to Beijing, Feb. 2.
35	2/4	Shultz: toast, Beijing, Feb. 2.
*36	2/7	Subcommittee on Safety of Life at Sea (SOLAS), Shipping Coordinating Committee (SCC), Feb. 25; National Committee for the Prevention of Marine Pollution (NCPMP) Mar. 10.
*37	2/7	U.S. Organization for the International Radio Consultative Committee (CCIR), study group 4, Mar. 16.

38 2/8 Shultz: remarks to the American business community, Beijing, Feb. 3.

39 2/7 Shultz: press conference, Beijing, Feb. 5.

40 2/7 Shultz: interview, Radio Beijing, Beijing, Feb. 6.

41 2/8 Shultz: dinner toast, Seoul, Feb. 6.

42 2/8 Shultz: news conference en route to Seoul, Feb. 6.

43 2/8 Shultz: toast, Beijing, Feb. 5.

44 2/9 Department of State activities in the private sector initiatives area.

45 2/9 Shultz: news conference, Seoul, Feb. 8.

46 2/10 Shultz: news conference, Hong Kong, Feb. 9.

*47 2/15 Program for the official working visit of Norwegian Prime Minister Kaare Willoch, Feb. 16-18.

*48 2/15 U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCITT), study groups A and B, Mar. 2.

49 2/15 Shultz: statement before the Senate Foreign Relations Committee.

50 2/16 Shultz: statement before the House Foreign Affairs Committee.

*51 2/18 Shultz: press conference, on Williamsburg Economic Summit, Feb. 17.

52 2/23 Palau approves free association with the U.S. (revised).

*53 2/18 Regional foreign policy conference, Denver, Mar. 8.

54 2/18 Shultz: address and question-and-answer session before the Conservative Political Action Conference.

*55 2/18 CCITT, Integrated Services Digital Network (ISDN), working party, Mar. 10.

*56 2/18 CCIR, study group CMIT, Mar. 15.

*57 2/22 Shultz: statement before the Senate Budget Committee.

58 2/23 Shultz: arrival statement, Washington, Feb. 10.

59 2/23 Shultz: interview on ABC-TV "This Week With David Brinkley," Feb. 20.

60 2/23 Shultz: statement before the Subcommittee on International Operations, House Foreign Affairs Committee.

61 2/23 Shultz: remarks before the Subcommittee on International Operations, House Foreign Affairs Committee.

62 2/24 Shultz: address at the Southern Center for International Studies, Atlanta.

62A 2/28 Shultz: question-and-answer session following the Atlanta address, Feb. 24.

63 2/25 Shultz: statement announcing members of the Foreign Policy Planning Commission.

*64 2/28 Shultz: press conference, Bal Harbour, Florida, Feb. 25.

*65 2/28 Shultz: statement before the Subcommittee on Foreign Operations, Appropriations Committee, Senate Foreign Relations Committee.

*Not printed in the BULLETIN. ■

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Press releases may be obtained from the Public Affairs Office, U.S. Mission to the United Nations, 799 United Nations Plaza, New York, N.Y. 10017.

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*104	11/1	Gershman: world social situation, Committee III.
*105	11/3	Zimmerman: world charter for nature, General Assembly.
*106	11/2	Fields: chemical weapons convention, Committee I.
*107	11/3	Gershman: vote on Decade for Action to Combat Racism and Racial Discrimination, General Assembly.
*108	11/4	Adelman: world disarmament campaign, Committee I.
*109	11/4	Bennett: personnel, Committee V.
*110	11/3	Sherman: Falkland Islands, General Assembly.
*111	11/4	Lichenstein: peaceful uses of outer space, Special Political Committee.
*112	11/4	Adelman: Falkland Islands, General Assembly.
*113	11/4	Bond: non-use of force, Committee VI.
*114	11/4	Bond: Central America, Committee VI.
*115	11/4	Bond: Central America, Committee VI.
*116	11/4	Akalousky: world disarmament campaign, Committee I.
*117	11/5	Reynolds: Decade for Women, equality, development, Committee III.
*118	11/5	Clark: Central America, Committee I.
*119	11/9	Housholder: joint inspection unit, Committee V.
*120	11/12	Sherman: TTPI, Committee IV.

*121 11/11 Sherman: U.S. territories, Committee IV.

*122 11/11 Kirkpatrick: death of Brezhnev, General Assembly.

*123 11/12 Luce: apartheid, General Assembly.

*124 11/12 Sherman: South Africa, Committee IV.

*125 11/15 Douglas: refugees, Committee III.

*126 11/15 Johnston: peaceful settlement of disputes, General Assembly.

*127 11/15 Gershman: youth, Committee III.

*128 11/16 Johnston: International Civil Service Commission, Committee V.

*129 11/15 Sorzano: state property, archives, and debts, General Assembly.

*130 11/16 Johnston: U.N.-OAU cooperation, General Assembly.

*131 11/16 Johnston: U.N.-OAU cooperation, General Assembly.

*132 11/16 Johnston: U.N.-League of Arab States cooperation, General Assembly.

*133 11/16 Johnston: Israeli attack on Iraqi nuclear installation, General Assembly.

*134 11/18 Hoskins: operational activities for development, Committee II.

*135 11/17 Gershman: refugees, Committee III.

*136 11/18 Lodge: nuclear freeze, Committee I.

*137 11/18 Johnston: IAEA report, General Assembly.

*138 11/19 Duggan: contributions to UNHCR, General Assembly.

*139 11/22 Gundersen: peace and disarmament movements, Committee I.

*140 11/22 Lichenstein: use of satellites for direct television broadcasting, Special Political Committee.

*141 11/23 Lichenstein: contributions to UNRWA, General Assembly.

*142 11/23 Kasten: religious intolerance, Committee III.

*143 11/23 Padilla: decolonization, General Assembly.

*144 11/23 Schwab: International Law Commission, Committee VI.

*145 11/24 Luce: decolonization, General Assembly.

146 11/24 Kirkpatrick: Afghanistan, General Assembly.

*147 11/24 Feldman: Iran, Committee III.

*148 11/26 Gershman: human rights, Committee III.

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- *149 11/26 Sherman: Cuba and Laos, General Assembly.
- *150 11/26 Milton: prevention of an arms race in outer space, Committee I.
- *151 11/29 Gershman: drug trafficking, Committee III.
- *152 12/1 Gundersen: non-first-use of nuclear weapons, Committee I.
- 153 12/1 U.S. and Republic of Palau call plebiscite on compact of free association.
- *154 12/1 Gershman: drug trafficking, Committee III.
- *155 12/1 Lichenstein: UNRWA, Special Political Committee.
- *156 [Not issued.]
- *157 12/2 Lichenstein: information, Special Political Committee.
- *158 12/2 Lichenstein: information, Special Political Committee.
- *159 12/2 Lichenstein: information, Special Political Committee.
- *160 [Not issued.]
- *161 12/3 Reich: program of action concerning disabled persons, General Assembly.
- *162 12/3 Adelman: Law of the Sea Conference, General Assembly.
- *163 12/3 Adelman: Law of the Sea Conference, General Assembly.
- *164 12/3 Papendorp: program planning, Committee V.
- *165 12/3 Lodge: ECOSOC report, Committee III.
- *166 12/6 Kasten: human rights in Poland, Committee III.
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- *177 12/10 Craighead: international security, Committee I.
- *178 12/10 Sherman: question of Palestine, General Assembly.
- *179 12/10 Craighead: international security, Committee I.
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- *181 12/10 Gershman: Guatemala, Committee III.
- *182 12/10 Gershman: Chile, Committee III.
- *183 12/13 Luce: world disarmament campaign, General Assembly.
- *184 12/15 Gershman: ECOSOC report, Committee III.
- *185 12/15 Gershman: ECOSOC report, Committee III.

*Not printed in the BULLETIN. ■

Department of State

Free, single copies of the following Department of State publications are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan

Progress in the Quest for Peace and Freedom, American Legion, Feb. 22, 1983 (Current Policy #455).

Vice President Bush

U.S. Commitment to Peace and Security in Europe, Royal Institute of International Affairs, London, Feb. 9, 1983 (Current Policy #452).

Advancing the Cause of Peace and Arms Control, Committee on Disarmament, Geneva, Feb. 4, 1983 (Current Policy #448).
Peace and Security in Europe (includes a letter from President Reagan to the people of Europe), West Berlin, Jan. 31, 1983 (Current Policy #447).

Secretary Shultz

Restoring Prosperity to the World Economy, Senate Foreign Relations Committee, Feb. 15, 1983 (Current Policy #451).

Africa

The Horn of Africa: U.S. Policy (GIST, January 1983).
The Search for Regional Security in Southern Africa, Assistant Secretary Crocker, Subcommittee on Africa, House Foreign Affairs Committee, Feb. 15, 1983 (Current Policy #453).
Background Notes on Mozambique (Jan. 1983).
Background Notes on Namibia (Jan. 1983).

East Asia

Assessment of U.S. Relations With China, Assistant Secretary Holdridge, National Council on U.S.-China Relations, New York, Dec. 13, 1982 (Current Policy #444).

Economics

Agriculture in U.S. Foreign Economic Policy (GIST, January 1983). U.S. Export Expansion (GIST, January 1983).

Europe

Economic Health of the Western Alliance, Ambassador Burns, Deutsche Atlantische Gesellschaft, Bonn, Dec. 9, 1982 (Current Policy #445).
Review of U.S. Relations With the Soviet Union, Under Secretary Eagleburger, Governing Board of the World Jewish Congress, Feb. 1, 1983 (Current Policy #450).

Food

World Food Security (GIST, Feb. 1983).

Human Rights

Implementation of Helsinki Final Act, Thirtieth Semiannual Report (June 1, 1982–November 30, 1982), President Reagan's report to the Commission on Security and Cooperation in Europe, January 1983 (Special Report #105).

Middle East

Lebanon (GIST, Jan. 1983).

Nuclear Policy

Nuclear Nonproliferation: Our Shared Responsibility, Ambassador Kennedy, American Nuclear Society, San Diego, Jan. 25, 1983 (Current Policy #446).

Western Hemisphere

Background Notes on Brazil (December 1982).
Background Notes on Guyana (December 1982).
Background Notes on Nicaragua (January 1983).
Background Notes on Uruguay (December 1982).
Certification of Progress in El Salvador, Assistant Secretary Enders, House Foreign Affairs Committee, Feb. 4; and Assistant Secretary Abrams, Senate Foreign Relations Committee, Feb. 2 (Current Policy #449).
El Salvador: Certification Process (GIST, Feb. 1983). ■

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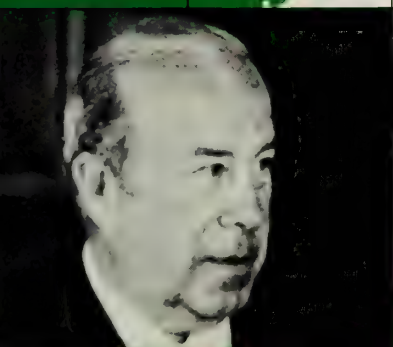
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The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

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GEORGE P. SHULTZ
Secretary of State

JOHN HUGHES
Assistant Secretary for Public Affairs

PAUL E. AUERSWALD
Director,
Office of Public Communication

NORMAN HOWARD
Chief, Editorial Division

PHYLLIS A. YOUNG
Editor

JUANITA ADAMS
Assistant Editor

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Central America: Defending Our Vital Interests

by President Reagan

*Address before
a joint session of Congress
on April 27, 1983¹*

A number of times in past years, Members of Congress and a President have come together in meetings like this to resolve a crisis. I have asked for this meeting in the hope that we can prevent one.

It would be hard to find many Americans who are not aware of our stake in the Middle East, the Persian Gulf, or the NATO line dividing the free world from the communist bloc. And the same could be said for Asia.

But in spite of, or maybe because of, a flurry of stories about places like Nicaragua and El Salvador, and, yes, some concerted propaganda, many of us find it hard to believe we have a stake in problems involving those countries. Too many have thought of Central America as just that place way down below Mexico that can't possibly constitute a threat to our well-being.

And that's why I have asked for this session. Central America's problems do directly affect the security and the well-being of our own people. And Central America is much closer to the United States than many of the world trouble spots that concern us. So as we work to restore our own economy, we cannot afford to lose sight of our neighbors to the south.

El Salvador is nearer to Texas than Texas is to Massachusetts. Nicaragua is just as close to Miami, San Antonio, San Diego, and Tucson as those cities are to Washington where we're gathered tonight. But nearness on the map doesn't even begin to tell the strategic importance of Central America, bordering as it does on the Caribbean—our lifeline to the outside world. Two-thirds of all our foreign trade and petroleum pass through the Panama Canal and the Caribbean. In a European crisis, at least half of our supplies for NATO would go through these areas by sea. It's well to remember that in early 1942 a handful of Hitler's submarines sank more tonnage there than in all of the Atlantic Ocean. And they did this without a single naval base anywhere in the area.

Today, the situation is different. Cuba is host to a Soviet combat brigade, a submarine base capable of servicing Soviet submarines, and military air bases visited regularly by Soviet military aircraft.

Because of its importance, the Caribbean Basin is a magnet for adventurism. We are all aware of the Libyan cargo planes refueling in Brazil a few days ago



(White House photo by Bill Fitz-Patrick)

THE PRESIDENT

on their way to deliver medical supplies to Nicaragua. Brazilian authorities discovered the so-called medical supplies were actually munitions and prevented their delivery. You may remember that last month, speaking on national television, I showed an aerial photo of an airfield being built on the island of Grenada. Well, if that airfield had been completed, those planes could have refueled there and completed their journey.

If the Nazis during World War II and the Soviets today could recognize the Caribbean and Central America as vital to our interests, shouldn't we also?

As I said a moment ago, the Government of El Salvador has been keeping its promises, like the land reform program which is making thousands of farm tenants, farm owners. In a little over 3 years, 20% of the arable land in El Salvador has been redistributed to more than 450,000 people. That's 1 in 10 Salvadorans who have benefited directly from this program.

El Salvador has continued to strive toward an orderly and democratic society. The government promised free elections. On March 28th, little more than a year ago, after months of campaigning by a variety of candidates, the suffering

The world should respect this courage and not allow it to be belittled or forgotten. And again, I say in good conscience, we can never turn our backs on that.

The democratic political parties and factions in El Salvador are coming together around the common goal of seeking a political solution to their country's problems. New national elections will be held this year and they will be open to all political parties. The government has invited the guerrillas to participate in the election and is preparing an amnesty law. The people of El Salvador are earning their freedom, and they deserve our moral and material support to protect it.

Yes, there are still major problems regarding human rights, the criminal justice system, and violence against non-combatants. And, like the rest of Central America, El Salvador also faces severe economic problems. But in addition to recession-depressed prices for major agricultural exports, El Salvador's economy is being deliberately sabotaged. Tonight in El Salvador—because of ruthless guerrilla attacks—much of the fertile land cannot be cultivated; less than half the rolling stock of the railways remains operational; bridges, water facilities, telephone and electric systems have been destroyed and damaged. In one 22-month period, there were 5,000 interruptions of electrical power; one region was without electricity for a third of a year.

I think Secretary of State Shultz put it very well the other day. "Unable to win the free loyalty of El Salvador's people, the guerrillas," he said, "are deliberately and systematically depriving them of food, water, transportation, light, sanitation, and jobs. And these are the people who claim they want to help the common people."

They don't want elections because they know they would be defeated. But, as the previous election showed, the Salvadoran people's desire for democracy will not be defeated. The guerrillas are not embattled peasants armed with muskets. They are professionals, sometimes with better training and weaponry than the government's soldiers. The Salvadoran battalions that have received U.S. training have been conducting themselves well on the battlefield and with the civilian population. But, so far, we've only provided enough money to train 1 Salvadoran soldier out of 10, fewer than the number of guerrillas that are trained by Nicaragua and Cuba.

El Salvador is nearer to Texas than Texas is to Massachusetts. Nicaragua is just as close to Miami, San Antonio, San Diego, and Tucson as those cities are to Washington . . .

Struggle for Freedom in El Salvador

For several years now, under two administrations, the United States has been increasing its defense of freedom in the Caribbean Basin. And I can tell you tonight, democracy is beginning to take root in El Salvador which, until a short time ago, knew only dictatorship. The new government is now delivering on its promises of democracy, reforms, and free elections. It wasn't easy, and there was resistance to many of the attempted reforms with assassinations of some of the reformers. Guerrilla bands and urban terrorists were portrayed in a worldwide propaganda campaign as freedom fighters representative of the people. Ten days before I came into office, the guerrillas launched what they called a "final offensive" to overthrow the government. And their radio boasted that our new Administration would be too late to prevent their victory.

They learned democracy cannot be so easily defeated. President Carter did not hesitate. He authorized arms and ammunition to El Salvador. The guerrilla offensive failed but not America's will. Every president since this country assumed global responsibilities has known that those responsibilities could only be met if we pursued a bipartisan foreign policy.

people of El Salvador were offered a chance to vote—to choose the kind of government they wanted. And suddenly the so-called freedom fighters in the hills were exposed for what they really are—a small minority who want power for themselves and their backers not democracy for the people. The guerrillas threatened death to anyone who voted. They destroyed hundreds of buses and trucks to keep the people from getting to the polling places. Their slogan was brutal: "Vote today, die tonight." But on election day, an unprecedented 80% of the electorate braved ambush and gunfire and trudged for miles, many of them, to vote for freedom. And that's truly fighting for freedom. We can never turn our backs on that.

Members of this Congress who went there as observers told me of a woman who was wounded by rifle fire on the way to the polls, who refused to leave the line to have her wound treated until after she had voted. Another woman had been told by the guerrillas that she would be killed when she returned from the polls, and she told the guerrillas, "You can kill me; you can kill my family; you can kill my neighbors; you can't kill us all." The real freedom fighters of El Salvador turned out to be the people of that country—the young, the old, the in between—more than a million of them out of a population of less than 5 million.

Relations With Nicaragua

And let me set the record straight on Nicaragua, a country next to El Salvador. In 1979, when the new government took over in Nicaragua, after a revolution which overthrew the authoritarian rule of Somoza, everyone hoped for the growth of democracy. We in the United States did too. By January of 1981, our emergency relief and recovery aid to Nicaragua totaled \$118 million—more than provided by any other developed country. In fact, in the first 2 years of Sandinista rule, the United States directly or indirectly sent five times more aid to Nicaragua than it had in the 2 years prior to the revolution. Can anyone doubt the generosity and good faith of the American people?

These were hardly the actions of a nation implacably hostile to Nicaragua. Yet, the Government of Nicaragua has treated us as an enemy. It has rejected our repeated peace efforts. It has broken its promises to us, to the Organization of American States, and, most important of all, to the people of Nicaragua.

No sooner was victory achieved than a small clique ousted others who had been part of the revolution from having any voice in government. Humberto Ortega, the Minister of Defense, declared Marxism-Leninism would be their guide, and so it is. The Government of Nicaragua has imposed a new dictatorship; it has refused to hold the elections it promised; it has seized control of most media and subjects all media to heavy prior censorship; it denied the bishops and priests of the Roman Catholic Church the right to say mass on radio during holy week; it insulted and mocked the Pope; it has driven the Miskito Indians from their homelands—burning their villages, destroying their crops, and forcing them into involuntary internment camps far from home; it has moved against the private sector and free labor unions; it condoned mob action against Nicaragua's independent human rights commission and drove the director of that commission into exile.

In short, after all these acts of repression by the government, is it any wonder that opposition has formed? Contrary to propaganda, the opponents of the Sandinistas are not die-hard supporters of the previous Somoza regime. In fact, many are anti-Somoza heroes who fought beside the Sandinistas to

bring down the Somoza government. Now they've been denied any part in the new government because they truly wanted democracy for Nicaragua, and they still do. Others are Miskito Indians fighting for their homes, their lands, and their lives.

The Sandinista revolution in Nicaragua turned out to be just an exchange of one set of autocratic rulers for another, and the people still have no freedom, no democratic rights, and more poverty. Even worse than its predecessor, it is helping Cuba and the Soviets to destabilize our hemisphere.

Meanwhile, the Government of El Salvador, making every effort to guarantee democracy, free labor unions, freedom of religion, and a free press, is under attack by guerrillas dedicated to the same philosophy that prevails in Nicaragua, Cuba, and, yes, the Soviet Union. Violence has been Nicaragua's most important export to the world. It is the ultimate in hypocrisy for the unelected Nicaraguan Government to charge that we seek their overthrow when they're doing everything they can to bring down the elected Government of El Salvador. The guerrilla attacks are directed from a headquarters in Managua, the capital of Nicaragua.

But let us be clear as to the American attitude toward the Government of Nicaragua. We do not seek its overthrow. Our interest is to ensure that it does not infect its neighbors through the export of subversion and violence. Our purpose, in conformity with American and international law, is to prevent

alternative. And, as Nicaragua ponders its options, we can and will—with all the resources of diplomacy—protect each country of Central America from the danger of war. Even Costa Rica, Central America's oldest and strongest democracy, a government so peaceful it doesn't even have an army, is the object of bullying and threats from Nicaragua's dictators.

Nicaragua's neighbors know that Sandinista promises of peace, nonalliance, and nonintervention have not been kept. Some 36 new military bases have been built; there were only 13 during the Somoza years. Nicaragua's new army numbers 25,000 men supported by a militia of 50,000. It is the largest army in Central America supplemented by 2,000 Cuban military and security advisers. It is equipped with the most modern weapons, dozens of Soviet-made tanks, 800 Soviet-bloc trucks, Soviet 152-MM howitzers, 100 anti-aircraft guns, plus planes and helicopters. There are additional thousands of civilian advisers from Cuba, the Soviet Union, East Germany, Libya, and the PLO [Palestine Liberation Organization]. And we are attacked because we have 55 military trainers in El Salvador.

The goal of the professional guerrilla movements in Central America is as simple as it is sinister—to destabilize the entire region from the Panama Canal to Mexico. If you doubt me on this point, just consider what Cayetano Carpio, the now-deceased Salvadoran guerrilla leader, said earlier this month. Carpio said that after El Salvador falls, El

It is the ultimate in hypocrisy for the unelected Nicaraguan Government to charge that we seek their overthrow when they're doing everything they can to bring down the elected Government of El Salvador.

the flow of arms to El Salvador, Honduras, Guatemala, and Costa Rica. We have attempted to have a dialogue with the Government of Nicaragua, but it persists in its efforts to spread violence.

We should not—and we will not—protect the Nicaraguan Government from the anger of its own people. But we should, through diplomacy, offer an

Salvador and Nicaragua would be “arm-in-arm and struggling for the total liberation of Central America.”

Nicaragua's dictatorial junta, who themselves made war and won power operating from bases in Honduras and Costa Rica, like to pretend they are today being attacked by forces based in Honduras. The fact is, it is Nicaragua's Government that threatens Honduras,

THE PRESIDENT

not the reverse. It is Nicaragua who has moved heavy tanks close to the border, and Nicaragua who speaks of war. It was Nicaraguan radio that announced on April 8th the creation of a new, unified, revolutionary coordinating board to push forward the Marxist struggle in Honduras. Nicaragua, supported by weapons and military resources provided by the communist bloc, represses its own people, refuses to make peace, and sponsors a guerrilla war against El Salvador.

The Need for U.S. Support

President Truman's words are as apt today as they were in 1947, when he, too, spoke before a joint session of the Congress:

At the present moment in world history nearly every nation must choose between alternative ways of life. The choice is too often not a free one.

One way of life is based upon the will of the majority, and is distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression.

The second way of life is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio, fixed elections, and the suppression of personal freedoms.

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

I believe that we must assist free peoples to work out their own destinies in their own way.

I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.

... Collapse of free institutions and loss of independence would be disastrous not only for them but for the world. Discouragement and possibly failure would quickly be the lot of neighboring peoples striving to maintain their freedom and independence.

The countries of Central America are smaller than the nations that prompted President Truman's message. But the political and strategic stakes are the same. Will our response—economic, social, military—be as appropriate and successful as Mr. Truman's bold solutions to the problems of postwar Europe?

Some people have forgotten the successes of those years and the decades of peace, prosperity, and freedom they secured. Some people talk as though the United States were incapable of acting

effectively in international affairs without risking war or damaging those we seek to help.

Are democracies required to remain passive while threats to their security and prosperity accumulate?

Must we just accept the destabilization of an entire region from the Panama Canal to Mexico on our southern border?

Must we sit by while independent nations of this hemisphere are integrated into the most aggressive empire the modern world has seen?

Must we wait while Central Americans are driven from their homes, like the more than 4 million who have sought refuge out of Afghanistan or the 1.5 million who have fled Indochina or the more than 1 million Cubans who have fled Castro's Caribbean utopia? Must we, by default, leave the people of El Salvador no choice but to flee their homes, creating another tragic human exodus?

I do not believe there is a majority in the Congress or the country that counsels passivity, resignation, defeatism in the face of this challenge to freedom and security in our hemisphere.

I do not believe that a majority of the Congress or the country is prepared to stand by passively while the people of Central America are delivered to totalitarianism, and we ourselves are left vulnerable to new dangers.

Only last week an official of the Soviet Union reiterated Brezhnev's threat to station nuclear missiles in this hemisphere—5 minutes from the United States. Like an echo, Nicaragua's commandante, Daniel Ortega, confirmed that, if asked, his country would consider accepting those missiles. I understand that today they may be having second thoughts.

Now, before I go any further, let me say to those who invoke the memory of Vietnam: There is no thought of sending American combat troops to Central America; they are not needed—indeed, they have not been requested there. All our neighbors ask of us is assistance in training and arms to protect themselves while they build a better, freer life.

We must continue to encourage peace among the nations of Central America. We must support the regional efforts now underway to promote solutions to regional problems. We cannot be certain that the Marxist-Leninist bands who believe war is an instrument of politics will be readily discouraged.

It's crucial that we not become discouraged before they do. Otherwise the region's freedom will be lost and our security damaged in ways that can hardly be calculated.

If Central America were to fall, what would the consequences be for our position in Asia, Europe, and for alliances such as NATO? If the United States cannot respond to a threat near our own borders, why should Europeans or Asians believe that we are seriously concerned about threats to them? If the Soviets can assume that nothing short of an actual attack on the United States will provoke an American response, which ally, which friend will trust us then?

Basic Goals

The Congress shares both the power and the responsibility for our foreign policy. Tonight, I ask you, the Congress, to join me in a bold, generous approach to the problems of peace and poverty, democracy and dictatorship in the region. Join me in a program that prevents communist victory in the short run but goes beyond to produce, for the deprived people of the area, the reality of present progress and the promise of more to come.

Let us lay the foundation for a bipartisan approach to sustain the independence and freedom of the countries of Central America. We in the Administration reach out to you in this spirit.

We will pursue four basic goals in Central America.

First. In response to decades of inequity and indifference, we will support democracy, reform, and human freedom. This means using our assistance, our powers of persuasion, and our legitimate "leverage" to bolster humane democratic systems where they already exist and to help countries on their way to that goal complete the process as quickly as human institutions can be changed. Elections—in El Salvador and also in Nicaragua—must be open to all, fair and safe. The international community must help. We will work at human rights problems, not walk away from them.

Second. In response to the challenge of world recession and, in the case of El Salvador, to the unrelenting campaign of economic sabotage by the guerrillas, we will support economic development. By a margin of two-to-one, our aid is

economic now, not military. Seventy-seven cents out of every dollar we will spend in the area this year goes for food, fertilizers, and other essentials for economic growth and development. And our economic program goes beyond traditional aid: The Caribbean initiative introduced in the House earlier today will provide powerful trade and investment incentives to help these countries achieve self-sustaining economic growth without exporting U.S. jobs. Our goal must be to focus our immense and growing technology to enhance health care, agriculture, and industry and to ensure that we, who inhabit this interdependent region, come to know and understand each other better, retaining our diverse identities, respecting our diverse traditions and institutions.

Third. In response to the military challenge from Cuba and Nicaragua—to their deliberate use of force to spread tyranny—we will support the security of the region's threatened nations. We do not view security assistance as an end in itself but as a shield for democratization, economic development, and diplomacy. No amount of reform will bring peace so long as guerrillas believe they will win by force. No amount of economic help will suffice if guerrilla units can destroy roads and bridges and power stations and crops again and again with impunity. But, with better training and material help, our neighbors can hold off the guerrillas and give democratic reform time to take root.

Fourth. We will support dialogue and negotiations—both among the countries of the region and within each country. The terms and conditions of participation in elections are negotiable. Costa Rica is a shining example of democracy. Honduras has made the move from military rule to democratic government. Guatemala is pledged to the same course. The United States will work toward a political solution in Central America which will serve the interests of the democratic process.

To support these diplomatic goals, I offer these assurances:

- The United States will support any agreement among Central American

countries for the withdrawal—under fully verifiable and reciprocal conditions—of all foreign military and security advisers and troops.

- We want to help opposition groups join the political process in all countries and compete by ballots instead of bullets.

- We will support any verifiable, reciprocal agreement among Central American countries on the renunciation of support for insurgencies on neighbors' territory.

- And, finally, we desire to help Central America end its costly arms race and will support any verifiable, reciprocal agreements on the nonimportation of offensive weapons.

To move us toward these goals more rapidly, I am tonight announcing my intention to name an ambassador at large

What the Administration is asking for on behalf of freedom in Central America is so small, so minimal, considering what is at stake.

as my special envoy to Central America. He or she will report to me through the Secretary of State. The ambassador's responsibilities will be to lend U.S. support to the efforts of regional governments to bring peace to this troubled area and to work closely with the Congress to assure the fullest possible bipartisan coordination of our policies toward the region.

What I'm asking for is prompt congressional approval for the full reprogramming of funds for key current economic and security programs so that the people of Central America can hold the line against externally supported aggression. In addition, I am asking for prompt action on the supplemental request in these same areas to carry us through the current fiscal year and for early and favorable congressional action on my requests for fiscal year 1984. And finally, I am asking that the bipartisan consensus, which last year acted on the trade and tax provisions of the Caribbean Basin Initiative in the House, again take the lead to move this vital proposal to the floor of both chambers. And, as I said before, the greatest share of these requests is targeted toward economic and humanitarian aid, not military.

What the Administration is asking for on behalf of freedom in Central America is so small, so minimal, considering what is at stake. The total amount requested for aid to all of Central America in 1984 is about \$600 million; that's less than one-tenth of what Americans will spend this year on coin-operated video games.

In summation, I say to you that tonight there can be no question: The national security of all the Americas is at stake in Central America. If we cannot defend ourselves there, we cannot expect to prevail elsewhere. Our credibility would collapse, our alliances would crumble, and the safety of our homeland would be put at jeopardy.

We have a vital interest, a moral duty, and a solemn responsibility. This is not a partisan issue. It is a question of our meeting our moral responsibility to ourselves, our friends, and our posterity. It is a duty that falls on all of us—the President, the Congress, and the people. We must perform it together. Who among us would wish to bear responsibility for failing to meet our shared obligation?

¹Text from Weekly Compilation of Presidential Documents of May 2, 1983. ■

Radio Address on Lebanon

President Reagan's radio address to the nation on April 23, 1983.¹

In a few hours, I'll undertake one of the saddest journeys of my Presidency. I'll be going to Andrews Air Force Base to meet one of our Air Force planes bringing home 16 Americans who died this week in the terrorist attack on the U.S. Embassy in Beirut.

I undertake this task in great sadness but also with a tremendous sense of pride in those who sacrificed their lives in our country's efforts to bring peace to the Middle East and spare others the agony of war. Greater love hath no man. The courage and the dedication of these men and women reflect the best tradition of our Foreign Service, our Armed Forces, and other departments and agencies whose personnel serve our nation overseas, often in situations of great personal danger.

We don't know yet who bears responsibility for this terrible deed. What we do know is that the terrorists who planned and carried out this cynical and cowardly attack have failed in their purpose. They mistakenly believe that if they're cruel enough and violent enough, they will weaken American resolve and deter us from our effort to help build a lasting and secure peace in the Middle East. If they think that, they don't know too much about America. As a free people, we've never allowed intimidation to

stop us from doing what we know to be right. The best way for us to show our love and respect for our fellow countrymen who died in Beirut this week is to carry on with their task, to press harder than ever with our peacemaking efforts, and that's exactly what we're doing.

More than ever, we're committed to giving the people of Lebanon the chance they deserve to lead normal lives, free from violence and free from the presence of all unwanted foreign forces on their soil. And we remain committed to the Lebanese Government's recovery of full sovereignty throughout all its territory.

When I spoke after the bombing to Lebanon's President Gemayel, he expressed his people's deepest regret and revulsion over this wanton act of terrorism. I, in turn, assured him that the tragic events of this week had only served to strengthen America's steadfastness as a force for peace in his country and the Middle East. To this end, I've asked Secretary of State George Shultz to leave tomorrow night for the Middle East. Secretary Shultz will now add his personal efforts to continue magnificent work begun by Ambassadors Phil Habib and Morris Draper [special representative of the President to the Middle East and special negotiator for Lebanon, respectively], bringing about the earliest possible withdrawal of all foreign forces from Lebanon in a way that will promote peace and security in this troubled region.

The scenes of senseless tragedy in Beirut this week will remain etched in

our memories forever. But along with the tragedy, there were inspiring moments of heroism. We will not forget the pictures of Ambassador Dillon and his staff, Lebanese as well as Americans, many of them swathed in bandages, bravely searching the devastated embassy for their colleagues and for other innocent victims.

We will not forget the image of young Marines gently draping our nation's flag over the broken body of one of their fallen comrades. We will not forget their courage and compassion. And we will not forget their willingness to sacrifice even their lives to the service of their country and the cause of peace.

Yes, we Americans can be proud of these fine men and women. And we can be even prouder that our country has been playing such a unique and indispensable role in the Middle East, a role no other single nation could play. When the countries of the region want help in bringing peace, we're the ones they've turned to. That's because they trust us, because they know that America is both strong and just, both decent and dedicated. Even in the shadow of this terrible tragedy in Beirut, that is something to remember and draw heart from. It is also something to be true to.

I know I speak for all Americans when I reaffirm our unshakable commitment to our country's most precious heritage—serving the cause of peace and freedom in the world. What better monument than that could we build for those who gave their all that others might live in peace.

¹Text from White House press release. ■

Vice President Bush Visits Canada

Vice President Bush visited Ottawa March 23-24, 1983. Following are two statements made on March 23.¹

ARRIVAL STATEMENT, MAR. 23, 1983

I appreciate your kind invitation to visit Canada, and I am delighted to be here. This is my first trip to Canada as Vice President, and I am pleased to follow the examples of President Reagan and Secretary Shultz, who have each visited Canada twice in the last 2 years.

Canada and the United States are not only neighbors but trading partners, allies, and friends. Canada, like the United States, is a nation that cherishes—and nurtures—democracy and human liberty. Today I want to stress the importance of our common efforts to preserve peace in the world so that such free and democratic nations as our own and those of the NATO alliance might endure.

Our policy rests on arms control on the one hand and the maintenance of a strong, united Atlantic alliance on the other. Such a policy requires that all the nations of the alliance work closely together, and this trip today constitutes one of a series of such visits I have made in recent weeks to consult with our allies.

Although arms control and Western security will represent the principal subjects of my talks here, I will also discuss some of the important bilateral issues which naturally arise between two countries which share an extensive common border and enjoy such broad and varied relations. The American people hold Canadians in high esteem, and the Administration I represent values the counsel of Canada's leaders. I look forward to a full and richly rewarding day. Allow me to say again how extremely pleased I am to be here and to express my thanks for the warm welcome you have extended to me this morning.

STATEMENT, MAR. 23, 1983

The warmth of my welcome has been heartwarming, and the hospitality has been superb. My discussions with the Prime Minister, Minister MacEachen [Secretary of State for External

Affairs], and other Cabinet members and senior officials on many issues have been fruitful.

The primary purpose of my visit has been to consult with the Government of Canada on nuclear arms and related security issues which confront both our countries as North American allies and as members of the NATO alliance. The United States values highly Canada's counsel as a neighbor, as an ally, and as a friend. The visit also gave me the opportunity to review the state of our bilateral relations in general.

I think it fair to say that both countries stand in fundamental agreement on the crucial aspects of the defense and arms control issues that face us; that is, we agree on the wisdom and necessity of continuing to pursue the dual policy of enhancing the alliance's deterrent

capability on the one hand while negotiating to reduce the level of nuclear armaments on the other. We agree that this approach represents the only practical and prudent means of ensuring peace in the world.

Our bilateral relationship as a whole remains sound. Differences persist on some issues, but these are being addressed in the spirit not only of frankness but of friendliness that traditionally characterizes our dealings.

Let me close these remarks by reiterating my deep appreciation to my Canadian hosts for their kind hospitality. This visit has reaffirmed the importance and closeness of the enduring friendship between our two countries.

¹Texts from the Vice President's Office of the Press Secretary. ■



(White House photo by Valerie Hodgson)

Vice President Bush and Prime Minister Trudeau

Modernizing U.S. Strategic Forces

Secretary Shultz's statement before the Senate Armed Services Committee on April 20, 1983.

I am pleased to be here along with [Defense] Secretary Weinberger to explain the importance of the President's proposals for modernizing our strategic forces. First of all, I want to say that we all owe a great debt to Brent Scowcroft and his colleagues on the President's Commission on Strategic Forces. They have given us a thorough, thoughtful, and invaluable analysis. They brought to their task expertise and experience. They also brought with them the conviction that a matter so fundamental as our strategic forces—the backbone of our military strength—must be addressed in a spirit of bipartisan cooperation. There is a lesson here for all of us.

The question of how to modernize our strategic forces has been hotly debated for years now. The time has come to resolve it. As the commission has shown us, it can only be accomplished if Americans of both parties work together with the attitude that we are partners in a common enterprise. I know President Reagan is eager to work with the Congress in that spirit.

I defer to Secretary Weinberger on the military considerations that underlie the President's program. I want to address myself to two key points.

First, modernization of our strategic forces, and particularly of our ICBM [intercontinental ballistic missile] forces, is of critical importance to our foreign policy.

Second, the President's program is not only consistent with but, indeed, advances the important national objective of strategic arms control and reduction.

Foreign Policy and the Strategic Balance

The central goal of our national security policy is deterrence of war, and maintenance of the strategic balance is a necessary condition for that deterrence. But the strategic balance also shapes, to an important degree, the global environment in which the United States pursues its foreign policy objectives. Therefore, decisions on major strategic weapons systems can have profound political as well as military consequences.

As Secretary of State I am acutely conscious of the strength or weakness of American power, because it has a direct impact on our ability to achieve our goals. As a crucial determinant of relative strength, the strategic balance is a key indicator of relative influence.

Perceptions of the strategic balance are bound to influence the judgments of not only our adversaries but also our allies and friends around the world who rely on us. As leader of the democratic nations, we have an inescapable responsibility to maintain this pillar of the military balance which only we can maintain. Our determination to do so is an important signal of our resolve. Our performance of this responsibility is absolutely essential to sustaining the confidence of allies and friends and to maintaining the cohesion of our alliances.

For the first two decades of the postwar period, our allies in the Atlantic community, Japan, and elsewhere could count on our unquestioned strategic superiority. The longstanding Soviet superiority in conventional forces on the Eurasian landmass was offset by superior American strategic power as the guarantee of our allies' security.

The massive growth of the Soviet strategic arsenal and our unilateral self-restraint in the 1960s and 1970s have altered this situation. We no longer possess the strategic advantage we once had, and, indeed, we face significant weaknesses in several areas of strategic weaponry. This shift in the strategic balance makes it more important for us and our allies to address the problem of conventional and regional imbalances, while doing whatever is necessary to restore strategic stability.

The Soviet Union has also expanded its conventional forces and its global reach at a rapid rate in tandem with its nuclear buildup. Our vulnerability in many regions of the world such as the Persian Gulf is apparent, as is the impressive growth of the Soviets' ability to project power worldwide. This development is even more sobering given the increasing proclivity of the Soviets since the mid-1970s to use their forces and those of their proxies—in Angola, Ethiopia, Kampuchea, and Afghanistan, as well as to threaten their neighbor (in Poland) and to try to subvert our neighbors (in Central America).

My concern is that the growth of

Soviet strategic power can, therefore, have an important effect on the Soviets' willingness to run risks in a regional conflict or crisis. Correspondingly, it makes our response more difficult. In the Cuban missile crisis in 1962, and in the Middle East alert in 1973, American strategic power was an important element in denying the Soviet Union any credible option to escalate beyond the local level. In the Cuban case we possessed an overwhelming strategic as well as local superiority; in the case of the 1973 alert we still had some advantage. I do not want to see the day come when, in a replay of the Cuban crisis or Middle East alert, the numbers—and the results—are reversed.

The Peacekeeper ICBM has a direct relevance to this problem of Soviet risk taking. If the Soviets can strike effectively at our land-based ICBMs while our land-based deterrent does not have comparable capability, the Soviets might believe that they have a significant advantage in a crucial dimension of the strategic balance; they could seek to gain political leverage by a threat of nuclear blackmail. Without arguing the question of whether the Soviets are prepared to launch a nuclear first strike, such a crucial imbalance in strategic capabilities could well make them bolder in a regional conflict or in a major crisis.

For these reasons, I believe that our foreign policy—and our ability to defend our interests and our most cherished values—will be critically strengthened if the Congress gives strong backing to the program the President announced yesterday. Modernization of our strategic deterrent—and of our land-based ICBM force in particular—is essential to the goal he stated, that of “preventing conflict, reducing the risks of war, and safeguarding the peace.” That is why the Peacekeeper program is so important.

- It will demonstrate our commitment to maintaining the strategic balance and to maintaining the credibility of our land-based strategic forces.

- It will enhance our capacity to deter nuclear war and significant conventional attack or the threat of either.

- It will strengthen our commitment to the security of the United States and its allies and friends.

• It will also increase Moscow's incentive to negotiate seriously in START [strategic arms reduction talks] and other arms reduction talks. Let me say more on that subject.

Arms Reductions and the Strategic Balance

I know that the Congress, and all Americans, share our hopes that arms control negotiations with the Soviet Union will bring about a significant reduction of nuclear arsenals and a significant easing of the dangers of nuclear war. Strategic arms control has been a subject of major controversy and concern for well over a decade. If we have learned anything from those debates and negotiations, we should have learned this fundamental truth: The process of strategic arms control depends absolutely on the demonstrated ability of the United States to maintain the strategic balance. This, in turn, depends—as it always has—on maintaining a modern, capable triad of strategic forces. The Peacekeeper ICBM is a critical component of that modernized triad.

The Peacekeeper represents the response which every administration since that of President Nixon has believed necessary to offset, at least partially, the formidable Soviet ICBM arsenal. In this profoundly simple sense, a new missile like the Peacekeeper is not only consistent with strategic arms control but is an essential element of the process. From the standpoint of the SALT II [strategic arms limitation talks] Treaty, that treaty was premised on the existence of the Peacekeeper or MX (as it was then called). From the standpoint of the negotiations in which we are engaged today—not only to limit strategic arms but to reduce them—it is even more important to maintain the balance. I know from personal experience that the Soviets are tough bargainers, as we are and must be as well. They make no compromises for free; nor should we. Only if they see the United States determined to modernize our strategic forces will they have an incentive to negotiate a verifiable agreement, establishing equal, lower levels. Only if they see no possibility of achieving superiority will they accede to real arms reductions based on equality.

The Peacekeeper is also fully consistent with all the specific provisions of existing SALT agreements. Deploying 100 of the new missiles in existing Minuteman silos, as the President proposes, would involve no construction of

new fixed launchers, no increase in silo volume, and no increase in MIRVed [multiple independently-targetable reentry vehicle] ICBM launchers. Moreover, the limited number is obviously far too few to be destabilizing.

Questions have been asked, I know, about the new small ICBM, as proposed by the Scowcroft commission and by the President. Some have wondered how this is consistent with either SALT II or a possible START agreement. The SALT II Treaty would have permitted deployment of no more than one new ICBM on each side; on our side, the new missile would be the Peacekeeper. But

may well give both sides the incentive to move in this direction. The U.S.-Soviet strategic competition will continue into the long-term future. We can make a historic decision now that can shape the strategic relationship in a positive way for decades to come.

Conclusion

To sum up, as Secretary of State I can only share with the Secretary of Defense the conviction that modernization of our strategic forces is a matter of the highest priority. A credible, flexible strategic force is not only vital to the

If the Soviets can strike effectively at our land-based ICBMs while our land-based deterrent does not have comparable capability, the Soviets might believe that they have a significant advantage in a crucial dimension of the strategic balance; they could seek to gain political leverage by a threat of nuclear blackmail.

that treaty, even if it had been ratified, would have expired at the end of 1985. The President's proposal calls for the start of engineering development of a possible new small ICBM; no deployment could be possible until after 1990—long after the SALT II time period had expired. And long before that time, we would hope that a START agreement will have established a new regime for maintaining a stable strategic balance.

Beyond this, the new small missile, if it proves feasible, would have broader, positive implications for arms control. It would enhance stability, which has always been a central objective of arms control since the process began. As Secretary Weinberger has explained, it may move the evolution of strategic systems in a stabilizing direction over the long term. Our START proposals can be flexible enough to accommodate this small missile.

There is no guarantee that a restructuring of U.S. and Soviet forces will take place in the near future, but time

balance of power but is the essential foundation of our role as leader and defender of the free nations. The fundamental goal of nuclear deterrence depends on it; our goal of deterring non-nuclear war or nuclear blackmail also depends on it.

The Peacekeeper missile is indispensable to our near-term goals of restoring the strategic balance, deterring challenges, and providing an incentive to the Soviets for serious negotiations on arms reductions. Research and possible development of a small ICBM may enhance strategic stability into the next century. As the Scowcroft commission stressed, neither of the two systems can ensure security alone; they are complementary.

Strength and peace are also complementary. Both must be pursued with determination. And with that determination, both can be achieved.

¹Press release 113 (the complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402). ■

News Conference of April 12

Secretary Shultz held a news conference at the Department of State on April 12, 1983.¹

Q. In the Middle East, where does the United States go from here and, specifically, are you personally prepared to play a more direct role in the wider peace process?

A. The United States has been playing a very strong and direct role. The President's initiative of September 1 was and remains an historic opportunity for peace in the region. Those proposals remain on the table. Of course, we will continue to support them. They deserve support, and they'll get it not only from us but from others in the area.

Q. Will you be doing anything to engender such support, personally?

A. I think that the main point is that the proposals are responsive to the needs of the region. There is no question about the fact that the events of last weekend were a disappointment and are a disappointment, particularly so since it seemed that King Hussein [of Jordan] has managed—after a great deal of work and effort and patience on his part—to create conditions under which he could enter the peace process. Then word was received out of the meeting of the PLO [Palestine Liberation Organization] in Kuwait that conditions were put forward that were unacceptable to King Hussein.

We agree with King Hussein in rejecting those proposals. At the same time, everybody has to take a look at the situation and say, "What is the alternative?" Almost as if by punctuation, we had the murder of a moderate Palestinian in Portugal over the weekend. What is the message? That was a murder of a Palestinian, apparently by Palestinians, but it certainly doesn't do anything for the Palestinian people.

I think if there is genuine concern about the legitimate aspirations of these people, then there ought to be some thought given to their needs. This is what the President's plan does. I might point out that directly in the Camp David accords, it speaks of the legitimate aspirations of the Palestinian people and calls upon King Hussein and representatives of the Palestinians to come and talk with Israel about peace. This is the right course of action; it remains the right course of action. The approach of violence—which seems to have

been the approach for many years now and which has had the effect of devastating Lebanon and causing untold losses of lives and injuries—that's bankrupt.

I think it's about time everyone took stock and said that the road to peace, and road to well-being for human beings, is the road of negotiation. The prospect for negotiation is best through the use of the President's proposals, which fall squarely within the framework of Resolution 424 and the Camp David accords.

Q. Is it realistic to expect that King Hussein could enter peace talks without PLO approval, and are we encouraging him to do that?

A. King Hussein has to take his own counsel, and I think that it is most beneficial when King Hussein enters the peace process—if he does—that he do so with support from his brothers in the Arab world because that will have the effect of making any settlement that might be reached much more meaningful. Of course I think we also have to remember that when you're talking about the West Bank, the Gaza Strip, and the people who live there—predominantly, they're Palestinians—so you're negotiating for Palestinians. I think it's the case in any kind of a negotiation. People are not going to accept something that they don't have a part in, so they want to be represented. I'm sure that in any such negotiation King Hussein will want company.

Q. Are you not, in fact, now appealing to more moderate Palestinians to come forward and join King Hussein and enter the negotiations despite what any radical element within the PLO may feel?

A. We've always tried to appeal to the good sense of moderates and continue to do that.

Q. Phil Habib [Ambassador Philip C. Habib, special representative of the President to the Middle East] is now sitting in on the tripartite talks. Will you now consider another move, namely, a trip to the Middle East yourself, to get things moving?

A. I don't have any current plan to go to the Middle East. Certainly whenever the President decides that it might be useful, I'm ready to go, but there's no current plan to go there.

Q. After reading the statement of

King Hussein, what other information do you have that would contradict the very final statement that Jordan will not join the peace process by consent or renew it with any other party?

A. I don't have any additional information, and I'm not asserting here that King Hussein is about to join the peace process or anything of that kind. I didn't make that comment. In response to a question about if he would come in by himself: I tried to make clear that it seemed to me he would want to be accompanied by Palestinians if he were to decide to do that at some point.

Q. Has the PLO done itself damage by its negative response?

A. I certainly think so.

Q. How so?

A. It has clearly been the party that has, at least temporarily, frustrated what is a most promising opportunity for peace with justice and security in the Middle East. It seems to me it must become more and more apparent that such a frustration, accompanied as it was by this violent act—all too typical—does not provide any answer for the aspirations of the human beings called Palestinians who are living there and trying to make their way in the world.

Q. A number of Arabs, including some moderate ones, have claimed in the wake of the King's decision that the United States had shown no ability to influence the Israelis, either in Lebanon or on the question of settlements in the occupied territories. Do you think it would be fruitful now to increase American pressure on Israel on either of those fronts?

A. No. I think that, as from the beginning, the key to peace is that itself. That is the incentive that has to drive people.

As far as Lebanon is concerned—in getting a settlement in Lebanon—I think that a great deal of headway has been made. For there to be a genuine settlement, it has to be something that the Israelis and the Lebanese feel are in their interests, and the questions are difficult ones.

We are all impatient. I know some of my colleagues in Israel that I've talked to are impatient. Everybody would like to get this negotiation completed. On the other hand, you're talking about matters of great importance and difficulty, so you want to get them right. I think the pressure of the desire to work something out is very important there, and I don't think the way to go

about it is with additional arm-twisting of one kind or another.

Q. As you know, there is a school of thought that says that a lot of the moderate Arab states—in a diplomatic sense, anyway—are being held hostage by radical elements in the PLO and that even the United States in its efforts is, to an extent, also hostage to these same radical elements. Is there, in your current calculations, some way of getting out of this presumed "trap?"

A. It is a "trap"—if it is a "trap"—that was created by the decision of the Arab League to place on the PLO the mantle of negotiator for the Palestinian people. It's the decision, basically, that King Hussein refers to when he looks for support in his efforts to enter the peace process.

That stands there. On the other hand, I wonder if it isn't going to become apparent to people that when you seem to give such power to a radical group, you've made a mistake. At any rate, from our standpoint, we will continue to advocate the peace process. We will continue to stress the importance of the security needs of Israel. We will continue to stress the fact that if there is to be peace, it must be achieved by members of the Arab community with representation for Palestinians sitting down with Israel, with Egypt, and with ourselves in the peace process and working it out. We will continue to emphasize that for this to be successful, it has to meet the legitimate needs of the Palestinian people.

I think that's good, high ground to stand on. That's where we're going to stand, and we're going to invite others to come and join us there.

Q. Is that the same thing as urging moderate Arabs, then, to look back once again to the Rabat decision of 1974 and urge them to reconsider the validity of that?

A. They'll have to compose themselves and see how they want to proceed. It's up to them to decide how they wish to do that.

Q. If I could take you to a different part of the world, you and other people in the Administration have said to the Congress and publicly that the Administration is not violating the Boland amendment, which says that the U.S. Government cannot aid forces in Nicaragua for the purpose of bringing down that government. Some senior people in Congress have raised questions about that—

even disputed it. Today Congressman [Michael] Barnes, the head of the Latin subcommittee in the House, has introduced a measure to forbid any U.S. aid to any irregular force anywhere near Nicaragua having anything to do with Nicaragua.

In view of the congressional concerns about what is going on and what it is going to lead to, what is your attitude toward tightening the Boland amendment to take out any legal ambiguity or proceeding to a flat ban such as that which has been introduced by Congressman Barnes?

A. As far as I know, there is no violation of the Boland amendment. I want to expand, however, and say that as people look at what is happening in Nicaragua and ask themselves why, it shouldn't be difficult to figure out the answers. After all, here is a regime that came in—the Sandinistas. And what did they say? They said, "We don't believe in this dictatorship we just overthrew. We're going to have a free kind of system here. We're going to have elections. Everything is going to be great."

And what have they done? They have completely gone back on the promise of elections. They have very badly suppressed freedom of the press. They have done a terrible job on the Miskito Indians, for example. They have been very hard on the church, as illustrated. As an illustration—there are lots of other things—but the illustration is the way in which they greeted the Pope on his recent visit. So if you look for explanations for why it is that the Nicaraguans are having internal trouble, you don't have to look very far. I think it's important to recognize these underlying facts.

Q. What about the question of whether you would support, or what your attitude is regarding the endeavor by many in Congress to either tighten up on this language so that no support can be given to irregular forces or to ban it completely?

A. The moves being made that seem to be designed to prevent us from continuing to support our friends in El Salvador and elsewhere in Central America in their effort to provide a military security shield so that they can go forward with the process of democracy; so that they can go forward with the process of economic development; so that they can go forward with the development of the human rights efforts in those countries, I think is the undermining of our ability to provide that shield and is a bad mistake.

It is bad not only in the region; it's

bad for our country, because here we're talking about our own neighborhood. We see that Cuba is a communist-controlled country. The same thing is emerging rapidly in Nicaragua. And if that becomes the case in Central America, it is not only bad for the people in Central America—. My gosh, if you care anything about human rights, I think you have to consider what is being done in that regard if you turn this over to the communists. However, we also have to think about our own security, because here we're talking about our neighborhood. So I believe that the Congress should do the reprogramming that we have asked for and support the continuity of effort that is necessary in El Salvador and elsewhere.

Q. Ambassador [to the United Nations Jeane J.] Kirkpatrick made some comments in New York today that suggested the United States has a moral obligation to support groups like those in Nicaragua which are trying to overthrow the government. Is that the Administration's policy?

A. Certainly, when we see forces of democracy—forces that are opposed to something that takes on the aspect of tyranny—it's easy enough for us to figure out which side we're on. But our own immediate problem with Nicaragua is the undoubted use of Nicaragua as a base from which arms flow, largely through Cuba, to Nicaragua, and then to El Salvador. It's the "export of revolution without frontiers," I think is their phrase, to their neighbors that is the heart of the difficulty and which we are trying to cope with.

Q. In spite of the validity of all that you've said about the situation in Central America, the United States is still signatory and, indeed, was one of the founders of the OAS [Organization of American States] and wrote a good deal of the charter. What about Article 18, which specifically prohibits any intervention in a sovereign state?

A. We are talking about states that are very anxious to have us there. We're talking about helping. Here is Costa Rica that has no army; here is Honduras, struggling to make its democracy work; here is El Salvador, certainly with a pretty tough history and with lots of problems—no doubt about it—but, nevertheless, making some progress, and we're trying to be helpful. I think that is perfectly well in accord with the OAS Charter.

I also think it's well in accord with the OAS Charter to be opposing the export of revolution and the export of

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arms across national boundaries for the sake of encouraging the kind of disruption that we see in El Salvador. After all, look what these people have done to the chance of the people in El Salvador to make a decent living. They've blown up 55 bridges; they have blown up power plants; they have disrupted the economic infrastructure. I suppose it's no wonder that they are reluctant to come into the democratic process. That would be a terrific platform to run on.

Q. Again shifting to another part of the world, is the United States taking adequate steps, in your estimation, to counter Soviet moves in the southern Pacific and in southern Africa?

A. In the southern Pacific and southern Africa?

Q. Among the ANZUS [Australia, New Zealand, U.S. security treaty of 1951] partners, where there is a large Soviet build-up and also in southern Africa?

A. As far as southern Africa is concerned, I think the answer is yes, but I'll elaborate on it a little bit.

As far as southern Africa is concerned, we and others have been working long and hard to bring about an independent Namibia, and we find that in order to do that—it is obviously not an integrated part of the negotiation—but in order to bring it off, we have to see some sort of program for the withdrawal of foreign forces—Cuban forces in this case—from the area so that South Africa will have confidence that it is not being surrounded or having on its borders the Soviet proxy forces. We have been working hard on that. We have been making some progress, but, like most of these things, it's a slow, hard go. But I think basically what we're doing is right, and I hope that in the end it works out.

As far as the southern Pacific area and ANZUS are concerned, we have very strong relationships with Australia and New Zealand and the countries in that part of the world, and, yes, I think that we're working adequately there. I might say I've been in touch a couple of times with the new Prime Minister of Australia [Robert Hawke] who happens to have been a friend of mine from some years back. I believe that the strength of that relationship is going to continue.

Q. Do we detect a growing Soviet buildup there, though, in the waters in the southern Pacific?

A. No I don't think so.

Q. Could I take you back to the Middle East, please? You say that the

President's proposals are on the table. Can you in any way be forthcoming—

A. They're on top of the hill. That's where they are. On the high ground. They're on the high ground.

Q. Can you in any way be forthcoming in a specific way as to what is being done to pump some life into the President's plan? For example, any thought of an invitation to Hussein to Washington? A resumption of a Camp David type of get-together?

And finally, when you talked earlier about the Rabat decision to empower the PLO to be the sole mandate for the Palestinians as being a mistake, is there in that a suggestion that you think it would further the cause of peace if that power were stripped from the PLO?

A. I think what is needed is for it to be exercised constructively. There's a saying around here, "Use it or lose it." I think that if people have the ability to do something or other, then they ought to measure up to those responsibilities and they aren't doing so. That's the main point.

As far as actions are concerned, it's always fun to travel. Maybe not so much fun as to have conferences. But it isn't necessarily so that action of that kind necessarily brings progress. Sometimes it does and sometimes it doesn't. I don't think that we ought to equate constructive efforts with visible moves of some kind. In fact, it may be that the best thing we can do right now is to keep quiet for awhile.

Q. Is there any evidence the PLO is considering military action?

A. There are elements of the PLO that claim credit, if that's the right word for it, for the murder of the Palestinian in Portugal. So whether what has been decided is a decision to go the route of violence rather than the route of peace and negotiation, I don't know. But if that is the decision, I think it is a bad decision—a bankrupt decision—a return to something that has only led to tragedy.

Q. Could you describe for us the position of Saudi Arabia at this time? The spokesman said yesterday that King Fahd was willing to cooperate in furthering the ends of the Reagan proposal. Do the Saudi Arabians support the Reagan proposal now?

A. The Saudi Arabians have been in touch with us closely throughout this whole process and have been basically supportive. As the President said when he spoke on the subject on Sunday, the Saudi Arabians were as emphatic to him

in their rejection of these changes as King Hussein was and as we felt ourselves.

Q. Would you consider any steps necessary to improve our relationship with China?

A. We are, of course, working at that. It takes two to have a good relationship. We have a lot of inherent problems, but we have many objectives in common, many ways in which we can help each other. In my trip there and in our subsequent contacts, we've sought to emphasize these and will continue to do so. I recognize fully that there are difficulties that arise out of the fact that we continue to have a relationship with Taiwan and, for that matter, that we have a judicial system that works in a certain way when people come here. It works, it produces outcomes that sometimes other countries don't like, and they get aggravated. But at the same time, I think we have to be true to our own ideas and laws.

Q. The President said today that the Palestinian leadership should take bold and courageous action to try to get this plan moving again. All signs from the Middle East, not only now but in recent years, have been that, with the exception of Sadat, nobody is going to take any bold and courageous action for the Palestinians on the West Bank. If nothing happens, what will happen?

A. They have not had a happy lot, the Palestinians on the West Bank. There are many who profess to feel deeply about that fact and want to see that lot improved, and there are ways to do it. I think the principal operative way that is available is through the President's plan—which I've said is perfectly consistent with Resolution 242 and the Camp David accords. There it is. It's a method through which the lot of the Palestinians can be improved. If you're interested in that, then there's a way. We think that perhaps people will in the end come around to that.

Q. In the event that the United States has to proceed with the deployment of Pershing II missiles beginning at the end of this year, how concerned are you about possible Soviet countermoves which might involve deployment of SS-20s, either somewhere in the Caribbean or in the eastern Siberian region, which would put the western United States in the range of the SS-20?

A. Of course, the United States is in the range of lethal Soviet ICBMs [intercontinental ballistic missiles] right now.

So far as we can see, as we trace Soviet activity in deployment of the SS-20s, they are proceeding fairly aggressively with a deployment schedule that seems to be totally independent of what anybody else does.

I think it well behooves ourselves and our allies to implement the two-track decision of 1979, namely, to pursue—aggressively—negotiations, which we're doing and which the President has done with some new proposals most recently, on the one hand, and at the same time continue in our determination to deploy if it turns out that we're unable to reach any agreement. That's where we have been standing, and that's where we do stand now. I believe from everything that I have heard and seen, and people I have met with, that our allies and their leaders are as determined as we are to see this thing through.

Q. You seem to be aiming appeals at two groups in the Arab world. First, to the moderates in the PLO camp to reconsider the action of last weekend, and, if that fails, to the moderates in the Arab world itself as opposed to the PLO to reconsider and perhaps modify the Rabat formula. How much hope do you have that either appeal will be effective?

A. I like the word hope, but in a sense I think it's overworked. We're determined to stick with this, and I know when the President talked with us about his September 1 initiative before he made his proposals, and as we were discussing them and developing them, he said to us—and we all agreed—that there was no point in making proposals of this kind if all you were expecting was some immediate reaction and a settlement. These problems have been around a long time.

It was quite clear to the President at the time that it was important to make fundamental proposals that were of such a nature that you really could and would stick to them and stick with them and exercise determination and exercise patience, and recognize that in the end, what's the alternative? What's the alternative to peace? What's the alternative to security? What's the alternative to addressing the legitimate rights and needs of the Palestinian people?

I don't think the alternatives are attractive at all, but the attraction of peace is very powerful. That's where President Reagan stands now, and that's where he's going to continue.

Question-and-Answer Session Following World Affairs Council Address

At the conclusion of Secretary Shultz's address before the World Affairs Council in Dallas on April 15, 1983 (see May BULLETIN, page 10), he answered the following questions from the audience.¹

Q. U.S. officials have said there are 50 Soviet advisers in Nicaragua. What kind are they, what are they doing, and what kind of a threat do they pose to the United States?

A. They are doing various advisory tasks, no doubt, in training and things of that kind related to a military operation. They, by themselves, signify the involvement of the Soviet Union. Of course, the numbers of Cubans are much larger. I think the significance is, where is this all coming from, who's behind it, and who stands to gain from it? That's what we have to be careful of.

Q. What are the main obstacles in the current Middle East peace negotiations?

A. The problem, of course, is to persuade Arab governments other than Egypt to sit down with us and Israel and negotiate for peace. There are lots of plans, and there are many differences of opinion, without a doubt, but we're not going to resolve the differences of opinion unless the parties immediately involved can sit down and talk with each other about them.

That's what the Camp David peace process was about, and that's basically what the President's September 1 fresh start proposals, which are within the Camp David framework, are all about.

We have said, "Here are some of the things that we will speak for and support in these discussions"—that's essentially what the President's plan said—and we said some things we would not support, and some things we would support. Other people may have different ideas. The way to resolve them is by sitting down and talking, and it seems to be very difficult to bring that off despite the fact that I feel confident myself that King Hussein wants to do it. He has a very peaceful intent himself and is looking for a way that he can step forward with, at least, implicit support from his Arab colleagues and with the participation of non-PLO Palestinians.

He hasn't been able to find that way,

and so, we haven't been able to construct that bargaining table that we're looking for. But that's the road to peace in the Middle East. It's hard and it's difficult, but the President feels—and I think we all share his dedication to peace and to carrying on and exercising the determination and the patience that we need to see this thing through.

Q. We have several questions on the Mideast. In addition to the suspension of delivery of F-16s to Israel, what additional measures are contemplated to speed the withdrawal of Israeli troops from Lebanon?

A. I think the principal problems are not a matter of pressuring and so forth. The principal issue is security. We have to recall that northern Israel had guerrilla warfare waged against it from southern Lebanon over quite a period of time. Whether you happen to agree or disagree with the Israeli invasion of Lebanon—and our government did not agree with that—but, at any rate, whatever the case may be, we must observe that the Israelis captured huge amounts of armaments in southern Lebanon.

They have—and I believe everyone agrees—legitimate security concerns. Finding a formula that, on the one hand, provides for those security concerns and is consistent with the stature of Lebanon as a sovereign country that will develop and take care of its problems—that's sort of the key issue.

We've made a tremendous amount of headway in solving it, and getting the rest of the way is not so much a matter of twisting this person or that person's arm as it is keeping working at it and finding a comfortable approach that looks to the future and gives people, on the one hand, consistency with their sovereign rights, and, on the other hand, assurance that their security needs are going to be met.

Q. Here's a three-part question. What do you expect will happen regarding the Iran-Iraq conflict? What is the impact on Gulf stability and the possible U.S. policy position thereof?

A. It's a serious conflict. The U.S. position is that we think that they ought to stop fighting and settle their disputes. Our ability to influence that dispute is

¹Press release 106. ■

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quite limited because we don't have any real relationship with Iran. We do have a relationship with Iraq, but it is not a deep and strong one. So, our ability to influence the outcome is quite limited. But we do support UN resolutions in this regard, and we support efforts made by others who have more access to the parties in their efforts to bring it to a conclusion.

I might say that the conflict is of tremendous concern, and understandably so, to the other Gulf states. Partly their concern about, in a sense, the export of a kind of revolutionary fervor that can be destabilizing to them, and then, more recently, in a very physical sense, the fact that you have a major oil well flowing continuously. It is polluting the Gulf and polluting it very badly. It isn't as though you've got an oil slick out there and how are you going to clean up that slick, it's continually being produced and expanded. And it hasn't been possible to work out a sort of cease-fire or temporary truce or zone of truce that will enable people to go in and cap the well and deal with that slick.

The slick is getting so large that it is becoming a real threat to the region, to the natural fish life, and the desalinization plants are having to be shut down, and so on. So, it's a genuine threat.

Q. With Mexico being our next-door neighbor, we're more than unusually interested. What policy or other action will the United States take to deal with the immigration from Mexico?

A. First, let me just make a general comment, and then I'll come to the specific question. The President feels, and has felt right from the beginning of his term of office, that while obviously as a world power we have to be involved and be looking after our interests all around the world in developing our alliances and so on, nevertheless, it's particularly important to pay attention to your own neighborhood.

Canada is part of our neighborhood, Mexico is part of our neighborhood, Central America is part of our neighborhood, the Caribbean, South America, and so on. There's been a special effort made to talk to our friends in the neighborhood, to try to understand their problems, to explain ours, to see where we can compose these problems, and to set up processes by which they can be discussed.

I don't know that I have a formula—and, if I did, I would be the only person in the United States who has been able

to think of one—that's just suddenly going to solve that problem. It's a problem that's been around a long while, but I think that measures that are now being considered should help. In particular, I'm thinking of the changes proposed in our immigration laws and ways of treating aliens in this country that have been proposed by Senator Simpson and Representative Mazzoli, and I think that somewhere in this region lies an answer.

But more fundamentally—much more fundamentally—the sorts of things that I was talking about in my prepared remarks go to the point because if Mexico and other countries south of the border have thriving economies, have prosperity, see economic development and a better life around them, then people will want to stay there.

It's the fact that the conditions are not as good as we would like that causes this problem of immigration. It's not only from Mexico, it's all through Central America. There are tremendous numbers from other Central American countries coming up this way as you all know better than I do.

I think the fundamental answer is for us to be working with them and helping them create conditions such that people want to stay home, and I think it can be done. But we do have to work at it and remember that we have a stake in it. It isn't just a matter of giving money, not just a matter of aid. Aid can be helpful. But it is for this reason that the President has placed so much emphasis on the Caribbean Basin initiative and other such measures that will promote trade and investment. I think that's our fundamental answer.

Q. How do you assess the prospects for major social upheaval over the next 5 years in Mexico?

A. I think that Mexico has been a stable, democratic country for many years, and I see no reason to have that change. I don't say that as though I don't realize that there are problems there as there are here, but they have a long track record of being able to handle their problems. Their new President, [Miguel] de la Madrid, is a very capable man, and I would expect that they would be able to handle these problems.

I might say that I am planning to go Sunday night to Mexico and to spend the next Sunday, Monday, Tuesday there, meeting with the Foreign Minister, the financial people, and with

the President. This is all part of our effort to be in touch to discuss these problems and to be ready to work with them as I'm sure they're ready to work with us.

Q. Why can't the United States develop a Central American policy in cooperation with Mexico?

A. We feel that we have developed a very good and strong Central American policy. We have discussed it with Mexico. They don't see it exactly our way by a fair distance, but I think that's a good subject for us to discuss, and I have been glad to hear in the preparations for these meetings that we both agree—the Foreign Minister of Mexico and myself—that the issues of Central America are ones that we want to address together. This is a new government, and we'll see if we can't find a good way to work cooperatively on this problem. It's certainly a problem that we share, and we will both be beneficiaries if it can be resolved peacefully.

Q. How would you compare the relative strategic importance to the United States of Mexico compared with Central America?

A. I don't think that the comparison is really the point. It's just the fact that this is our neighborhood, and this whole area is of vital significance to us. I tried to point out in my prepared remarks how vitally important it is to us. It's easy to forget; it's easy to take for granted.

We've had no problems in shipping. We've had basically no problems in the Canal. We've had such a long period of time since the early 1940s when we had a war on with the Germans that we've forgotten how disruptive to our economy and our life it was possible for a few German U-Boats to be without any base in that region.

Again, I want to drive home here, if nothing else, that the problems we're dealing with in Central America are of vital significance to our security. It makes no sense to me whatever to suddenly cut by two-thirds the military assistance that we're giving to the Salvadorans who, with all their imperfections and problems—they are getting better—but to cut our military assistance to them that way when they're in a war and with the guerrillas getting escalating help from outside the country.

We have a big stake in this battle that's going on—a security stake, an ideological stake—and I think as we

consider our worldwide problems, I'm sure people around the world take a look and they say, "My gosh, if the United States can't even take care of problems in its own neighborhood, what can they do around here?" So it's very important.

Q. Would you comment on the circumstances which would cause American ground troops to be committed to Central America?

A. We have no plan and no intention to commit American ground troops.

Q. How frequently do you meet with President Reagan to keep him current?

A. I meet with him a lot. He keeps me current, I'll tell you. [Laughter] He's on the ball. But we have many meetings in the White House which I attend, where we have visiting heads of state or visiting people of one kind or another. We have formal meetings of the National Security Council or the Cabinet or subgroups of one kind or another that I go to. Then I meet with him personally and with maybe just two or three people, and we find that I think—I know I feel, and I think the President feels—that it's useful to have that sort of a discussion where you're not trying to decide something, you're just trying to sort of mull something over together. He's very good at that and very thoughtful, and has tremendous seat-of-the-pants judgment. I've come to have a very great respect for the judgments that he makes.

Q. There are 1.8 million Jews—20% of the world's Jewish population—in imminent moral danger in the Soviet Union. What is the Reagan Administration doing to influence the Soviet authorities to recognize the human rights of these people?

A. We talk about this problem and other problems of human rights whenever we meet with Soviet officials, which is fairly often, and we make it clear to them that these problems are very much part of our agenda. In addition, I might say that in the agreements reached in Helsinki a few years ago, all the signatory countries made certain commitments about human rights matters and about freedom to emigrate. These questions are under very heavy discussion in meetings of all the parties

involved in the Helsinki agreement that have been taking place in Madrid for the past 2 or 3 years.

We have an extraordinary man representing us for the United States—a man named Max Kampelman. He brings these matters up continuously. But, of course, in the end it's up to the Soviet Union what they do inside their country. We can express ourselves, but, as they keep saying, this is their internal affair. I do think, however, that it's well for us all to remember that we must maintain our concern for human values wherever in the world the problems may occur. That's part of our heritage; that's part of our outlook.

Sometimes people say we Americans are naive because we have these beliefs. I don't think so. I think it's one of our best and most solid attributes that we care about problems that people are facing in faraway places, and we are willing to work and extend effort and open our hand to help in resolving those problems.

Q. That leads us to Hu Na, the tennis player from China. What is the current status of relations with China after her defection?

A. They have reacted negatively to our decision to give amnesty to Hu Na. I might say that, for some reason, there is a perception in this country, let alone in China, that that's something that the President decides, or decided. It isn't.

Amnesty issues are decided in a semijudicial forum in the Immigration and Naturalization Service which is part of the Department of Justice. There are criteria that have been set up, and they make a decision. It isn't a decision made in the State Department or by the President or whatever, but, rather, a decision that's part of a process and part of an expression in the United States of a kind of natural concern that I suppose represents our heritage—concern over refugee issues.

Unlike most other countries—certainly unlike China—we're a country of refugees. We all came, back there somewhere or more recently, from some place else. That means we kind of have an instinct for that sort of a problem. Whereas if you take a country like

China or Japan or a typical West European country or Scandinavian country, there is a much more homogenous population there, and they all come from there.

I think sometimes it's harder for people with that heritage to understand the instinct of the United States for the problem of a person who feels displaced or cast out in some way. That's just part of our instinct and heritage. Personally, I love it. I hope we never lose that sense of being willing to help people who are having a hard time. [Applause]

Q. Why are embargoes and trade restrictions the apparent first action the U.S. Government takes to express dissatisfaction with a foreign government? With the embassies at full staff this places the burden on the business community first.

A. They're not the first thing we ever think of, although when I was a businessman I used to think so. [Laughter] I found the record is different. But it's a fair criticism that these types of actions should be matters of last resort, not first resort; but, at the same time, where there are deeply troubling issues we should be willing to use whatever powers or leverage we may have to do something about them.

We do have to remember—and the President, I can certainly assure you, has this very much in mind—that we must be very cautious in the use of these measures and only use them when they're vitally needed and have some chance of producing something. Otherwise, what we do is destroy the capacity of our businesses to be counted as reliable suppliers around the world. I can assure you that the President and the Administration have this very much in mind.

If that's the last question, that's my last answer. But it's not my last word here because this city and this state is one of the great jewels for our country. Promise you'll invite me back some day and, when you do, I'll accept, and I'll talk some more.

¹Press release 109A of Apr. 20, 1983. ■

AFRICA

Visit of Zambian President Kaunda

President Kenneth D. Kaunda of Zambia made an official working visit to Washington, D.C., March 29-April 2, 1983, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and President Kaunda after their meeting on March 30.¹

President Reagan

It's been our pleasure to welcome to the White House President Kenneth Kaunda of the Republic of Zambia. President Kaunda is no stranger to this house, nor to the people of the United States. As one of Africa's senior and most respected statesmen, he plays an admirable role in international events.

Our talks today covered a broad range of shared concerns and were conducted with the same cordiality and mutual respect which characterizes the relations between our two countries.

I welcomed this opportunity to discuss personally with President Kaunda the vital issue of Namibia. As the leader of one of the frontline states, his counsel and his experience are highly valued during these crucial negotiations. We share a common commitment for the prompt implementation of UN Security Council Resolution 435 and look forward to the day when we can celebrate a free and independent Namibia.

We also recognize and applaud your tireless efforts for peace and regional stability in Africa. Your special attention to African unity and to the organization that gives concrete expression to that concept is greatly admired here. The Organization of African Unity is indispensable to the pursuit of stability and development throughout Africa.

I know that your own country, Zambia, is suffering severe economic hardship as a result of the depressed prices of your primary export commodities. The United States itself is now emerging from a long period of economic uncertainty. We are convinced that our recovery will lead to a healthier world economy and should strengthen demand for Zambian and other producers' minerals.

In the meantime, we support the emphasis that you're placing on developing the agricultural sector of your economy. We're proud to have cooperated with you in that development. Our strong bilateral relationship will be maintained and will evolve as we continue to work together.



(White House photo by Mary Anne Fackelman)

I understand that you will be conferring with a wide variety of people during your stay here in Washington. I'm certain they will benefit, as I have, from your views on our bilateral relationship as well as on regional and global issues.

It's a pleasure to have you as our guest in the United States of America. It's been a great pleasure.

President Kaunda

I am delighted to have this opportunity to express, on behalf of my delegation and on my own behalf, our profound gratitude to President Reagan for inviting me to visit the United States at this time. It is a pleasure to be here once again.

We appreciate immensely the warm hospitality which the President and his people have accorded us since our arrival in this beautiful city yesterday. The friendly reception which has been given to us is a reflection of the good relations which happily exist between our two countries and peoples.

I want to particularly thank the President for the discussions which have just ended. These have gone on very well. We have covered a wide range of issues, including Zambia-U.S. relations, southern Africa, the Middle East, and world peace and security. We are both happy at the state of our bilateral relations, which are warm. Both President Reagan and I recognize the need to continue to consolidate and strengthen the ties that exist between our two countries, for we believe that it is in the interests of our countries to develop further these relations.

As might have been expected, our discussions on problems of South Africa and Namibia were extensive. We share an abhorrence of the apartheid system which is being practiced in South Africa. We are both of the view that an early end to this system will be good for peace, stability, and rich harmony in the southern African region.

On Namibia, I have explained to President Reagan how we in Zambia see the solution to the problem in that country. I have also listened very carefully to President Reagan's views on the problem. We both believe that this is a serious problem to which an early solution is imperative. We agree that the basis of the solution to this problem should be Resolution 435 of the UN Security Council. In this connection, we have agreed that our two countries should continue to consult each other on these problems.

We also had occasion to exchange views on the problem in the Middle East and the Arab Gulf States. We are concerned about the continuing absence of peace and stability in the area. We hope that solutions can be found that can lead to durable peace and security in that important area of the world.

Let me once again thank you for the generous hospitality which you have extended to us. I hope that the discussions we have had will form a strong foundation on which to build our future relations.

¹Text from Weekly Compilation of Presidential Documents of Apr. 4, 1983. ■

Report of the Commission on Strategic Forces

**PRESIDENT'S REMARKS,
APR. 19, 1983¹**

Later today, I'll send a report to the Congress which endorses the recommendations of the bipartisan Commission on Strategic Forces, urges prompt congressional action and support. This distinguished panel's recommendations are important for two reasons: the actions they propose will preserve stable deterrence and thus protect the peace, and they will add solid incentives and credibility to our efforts to negotiate arms reductions that can pave the way to a more secure and peaceful future.

On the 23d of March, I spoke to the American people about our program for strengthening this nation's security and that of our allies and announced a long-term research effort to reduce, someday, the threat posed by nuclear ballistic missiles. A week later in Los Angeles, I expanded our efforts to limit and reduce this danger through reliable, verifiable, and stabilizing arms control agreements. Both of these paths lead to a common goal—preventing conflict, reducing the risk of war, and safeguarding the peace.

Every American President has accepted this crucial objective as his most basic responsibility. But preserving the peace requires more than wishful thinking and vague good intentions. Concrete, positive action is required to free the world from the specter of nuclear conflict. And that's why we will continue to work relentlessly to achieve nuclear stability at the lowest possible levels.

Our words, policies, and actions all make clear to the world our country's deeply held conviction that nuclear war on any scale would be a tragedy of unparalleled scope. Time and again, America has exercised unilateral restraint, good will, and a sincere commitment to effective arms control. Unfortunately, these actions alone have not yet made us truly safer, and they haven't reduced the danger of nuclear war. Over the past year, for example, the Soviets have deployed over 1,200 intercontinental ballistic missile (ICBM) warheads, more than the entire Peacekeeper program.

The history of American involvement in arms control shows us what works and what doesn't work. The fact is that in the past, our one-sided

restraint and good will failed to promote similar restraint and good will from the Soviet Union. They also failed to produce meaningful arms control. But history also teaches us that when the United States has shown the resolve to remain strong, stabilizing arms control can be achieved.

In the late 1960s, we made a major effort to negotiate an antiballistic missile (ABM) treaty with the Soviet Union. After the Soviet leadership demonstrated a clear lack of interest, the Congress agreed to fund an antiballistic missile building program. And the result was predictable. Once the Soviets knew we were going ahead, they came to the negotiating table, and we negotiated a treaty. It was formally adopted and remains in force today.

Obviously, the best way to nuclear stability and a lasting peace is through negotiations. And this is the course that we've set. And if we demonstrate our resolve, it can lead to success.

It was against this background that I established a bipartisan Commission on Strategic Forces last January and directed it to review the strategic program for U.S. forces with particular emphasis on intercontinental ballistic missile systems and their basing. A distinguished bipartisan panel of Americans who served on the commission, and those who served as senior counselors, have performed a great service to their country, and we all owe them a debt of gratitude.

Brent Scowcroft, the commission's chairman, other commission members, Harold Brown, and the senior consultants are here today. I want to express my appreciation to you all for a tough job extraordinarily well done.

In the finest spirit of bipartisanship, the commission unanimously arrived at clear, important recommendations on some of the most difficult issues of our time. During the past 3 months, the commission held dozens of formal meetings and numerous small conferences. They talked to over 200 technical experts and consulted closely with the Congress. The commission members sought a common objective—to achieve a greater degree of national consensus concerning our approach to strategic

forces modernization and arms control.

As the commission's report concludes, "If we can begin to see ourselves in dealing with these issues, not as political partisans or as crusaders for one specific solution to a part of this complex set of problems, but rather as citizens of a great nation with the humbling obligation to persevere in the long-run task of preserving both peace and liberty for the world, a common perspective may finally be found." These words guided the work of the commission. It is my fervent hope that they will guide all of us as we work toward the solution of what has been a difficult and lengthy issue.

The commission has completed its work and last week submitted its report to me. It was immediately released, as you know, to the public. After reviewing the report, I met with the National Security Council. They endorse the commission's recommendations, as do all members of the Joint Chiefs of Staff. And so do I.

First, the commission urges us to continue the strategic modernization program which I announced in October of 1981. It reaffirms that the need remains for improvements in the command, control, and communications of our strategic forces and continuation of our bomber, submarine, and cruise missile program.

Second, the commission urges modernization of our ICBM forces. We should immediately proceed to develop and produce the Peacekeeper missile and deploy 100 in existing Minuteman silos near Warren Air Force Base in Wyoming. At the same time, the commission recommends that we begin engineering the design for a small, single-warhead missile. If strategic and technical considerations warrant, this missile could be ready for deployment in the early 1990s. Incidentally, this modernization program will save about \$1½ billion in 1984 and even more than that in each of the next 2 years.

Third, the commission recommends major research efforts in strategic defense and a thorough research program of hardening, making our land-based missile systems more secure. This modernization effort is the final component of our comprehensive, strategic program. It will mean a safer, more secure America. And it will provide clear evidence to the Soviet Union that it is in their best interest to negotiate with us in good faith and with

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seriousness of purpose. That adds up to an important incentive for both arms control and deterrence, for peace and security now and far into the future.

Finally, the commission underscores the need for ambitious arms control negotiations—negotiations that would lead to agreements that are balanced, promote stability in time of crisis, and result in meaningful, verifiable reductions. These are precisely the objectives of our arms control proposals now on the table in Geneva. These are—I want to reemphasize that we're in Geneva seeking equitable, reliable agreements that would bring real reductions.

The task before us is to demonstrate our resolve, our national will, and our good faith. That's absolutely essential both for maintaining an effective deterrent and for achieving successful arms reductions. Make no mistake; unless we modernize our land-based missile systems, the Soviet Union will have no real reason to negotiate meaningful reductions. If we fail to act, we cannot reasonably expect an acceptable outcome in our arms control negotiations, and we will also weaken the deterrent posture that has preserved the peace for more than a generation.

Therefore, I urge the Congress to join me now in supporting this bipartisan program to pursue arms control agreements that promote stability, to meet the needs of our ICBM force today, and to move to a more stable ICBM structure in the future.

To follow up on the commission's recommendations, I have asked Brent Scowcroft, in his capacity as chairman, to keep me closely advised as this issue moves toward resolution, particularly as it relates to arms control.

For more than a decade, each of four Administrations made proposals for arms control and modernization. Unfortunately, each became embroiled in political controversy. The members of the commission, the Secretary of Defense, the Joint Chiefs of Staff, and I have all had to take fresh looks at our previous positions. But despite the wide range of views these groups have held in the past, we now have a program that has our unanimous support.

Support by the Congress and the American people for this consensus will unite us in our common search for ways to strengthen our national security, reduce the risk of war, and ultimately reduce the level of nuclear weapons. We can no longer afford to delay. The time to act is now.

LETTER TO THE CONGRESS, APR. 19, 1983²

On January 3, 1983, I established a bipartisan Commission to respond to the issues raised by the Congress regarding the Peacekeeper missile, possible alternatives to the Peacekeeper, and possible alternative ICBM basing modes. The report, which the Commission submitted to me, was delivered to you last week. Attached is a classified report prepared by the Department of Defense submitted pursuant to the provisions of subsection (7) of Title V of the Department of Defense Appropriations Act, 1983, enacted as part of P.L. 97-377. The attached document addresses the issues set out in subsection (7).

I am pleased to report to you that the distinguished group of Americans who served on the Commission have unanimously agreed on a package of actions, which I strongly support, and on which Secretary Weinberger, the Joint Chiefs of Staff, Secretary Shultz and the National Security Council have joined with me in supporting. They are as follows:

(1) Improve as a first priority the command, control, and communications for our strategic forces; continue with high priority the Trident submarine and D-5 missile programs; and continue the bomber and air-launched cruise missile efforts as planned.

(2) Proceed with the immediate production of the Peacekeeper missile, and deployment of 100 such missiles in existing Minuteman silos in the Francis E. Warren AFB area, which I propose as the alternative basing plan required by P.L. 97-377. Specifically, the first 50 missiles will replace the Minuteman missiles in the 400th Strategic Missile Squadron (SMS). In turn, the second 50 will replace the Minuteman missiles in the 319th SMS. I have chosen Francis E. Warren AFB because the existing silos at that location offer the best operational considerations.

(3) Commence engineering design of a small, single warhead ICBM. If strategic and technical considerations warrant, such a missile could be ready for full-scale development in 1987 and potential deployment in the early 1990's.

(4) Expand research into, and undertake the most rigorous examination of, all forms of defense against ballistic missiles. This includes work on penetration aids.

(5) Undertake a specific program to resolve uncertainties regarding silo and shelter hardness, a study of fratricide effects, and investigation of different types of land-based vehicles and launchers, particularly hardened vehicles.

Finally, I reconfirm that I am fully committed to continue to pursue ambitious and objective arms reduction negotiations with a goal of agreements that are balanced, promote stability in time of crisis, constitute meaningful force reductions, and are verifiable. As you know, our proposals to secure reductions of all types of weapons are before the Soviets in many forums.

I urge the Congress to join me now in this bipartisan effort to settle on a modernization plan for our strategic forces. For more than a decade, each of four administrations has made proposals for arms control and modernization that have become embroiled in political controversy.

Balancing a number of factors, the members of the Commission, the Secretary of Defense, Joint Chiefs of Staff, and I have all had to take fresh looks at our previous positions. Despite the range of views these groups have held in the past, we are presenting to you a unanimous view on this vital issue. Your support for the consensus can unite us in taking a major step forward in our common search for ways to ensure national security.

Sincerely,

RONALD REAGAN

¹Text from Weekly Compilation of Presidential Documents of Apr. 25, 1983.

²Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, George Bush, President of the Senate, John Tower, chairman of the Senate Armed Services Committee, Mark O. Hatfield, chairman of the Senate Appropriations Committee, Melvin Price, chairman of the House Armed Services Committee, and Jamie L. Whitten, chairman of the House Appropriations Committee (text from Weekly Compilation of Presidential Documents of Apr. 25, 1983). ■

U.S.-Soviet Direct Communication Links

PRESIDENT'S STATEMENT, APR. 12, 1983¹

I am pleased to note the completion of the report of the Secretary of Defense on direct communication links and other measures to enhance stability. I believe that the proposals in this report, which was prepared in accordance with Public Law 97-252, are fully consistent with our goal of reducing the risk of nuclear war.

The Department of Defense report recommends a number of new measures. Of special note are those measures proposed to improve communications and build confidence between the United States and the Soviet Union. They include: addition of a high-speed facsimile capability to the direct communications link (Hotline), which would permit the transmission of full pages of text and

Americans Missing in Southeast Asia

by Daniel A. O'Donohue

Statement before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee on March 22, 1983. Mr. O'Donohue is Deputy Assistant Secretary for East Asian and Pacific Affairs.¹

I am pleased to have the opportunity to discuss the issue of Americans missing in Southeast Asia.

This Administration is fully committed to the goal of accounting for our MIAs [missing-in-action]. President Reagan, in his address to the National League of Families of American Prisoners and Missing in Southeast Asia, emphasized the importance this Administration places on this goal. The President laid out as the highest national priority the following: the return of all POWs [prisoners-of-war]; the fullest possible accounting for the still-missing; and the repatriation of the remains of those who died serving our nation. He pledged, and I quote, "the full resources of our government are now committed to these goals."

In support of the goals set forth by the President, the Department of State has been engaged in a variety of activities which I would like to describe.

First, we continue to press the POW/MIA issue with the Lao and Vietnamese Governments. As you are aware, we have serious policy differences with Vietnam, especially on Kampuchea. Despite these differences, we have maintained bilateral dialogue with the Vietnamese Government on the POW/MIA issue and only on this issue because of its great humanitarian importance. We are engaged with Laos in mutual efforts to improve relations through concrete steps, and both governments have already taken positive steps forward in our dialogue. President Reagan told the National League of Families in January that "progress on the POW/MIA issue will be the principal measure" of Lao sincerity in improving relations.

Second, we are continuing to seek the assistance of other governments in conveying to the Lao and Vietnamese the importance we attach to progress on this issue. We seek out every appropriate diplomatic channel to be sure that this issue is not forgotten.

Third, we regularly assist the Defense Intelligence Agency (DIA) in its

investigation of live sighting reports through contacts with other governments.

Fourth, our Southeast Asian posts have reviewed procedures for debriefing refugees to assure that we are getting all of the information available. We are continuing to seek the cooperation of the Government of Thailand in permitting access to Lao and Vietnamese refugees in "austere" camps who may have information about missing Americans. This is an area in which we are making slow but steady progress, and ultimately we believe we will have an opportunity to talk with all refugees who can help us.

Fifth, at our request, the Department of Health and Human Services sent almost 500 letters to refugee mutual assistance associations requesting that they contact their members for information regarding POW/MIAs. Our Bureau for Refugee Programs also made a similar request to the American Council of Voluntary Agencies.

Finally, we have supported the League of Families' private efforts by briefings and through the actions of our embassy in Vientiane to facilitate the league's very useful visit to Laos last September.

Investigations of live sighting reports are assigned the highest priority and necessary resources based on the assumption that some Americans are still being held captive. While we do not have hard evidence of live POWs, we continue to actively solicit and evaluate information from all sources.

The progress toward resolution of the POW/MIA issue is far slower than we all would like. Approximately 2,500 Americans killed or missing during the Indochina war have not been fully accounted for. Of this number, about 1,150 are known to have been killed in action, but their remains have not been recovered. Between February and April of 1973, the Hanoi government released 591 American prisoners. An additional 68 Americans stranded in Vietnam in April of 1975 left in the following year. To date, the Vietnamese have returned 79 sets of remains. The most recent repatriation of remains from Vietnam, in October of 1982, involved those of four U.S. military personnel. To emphasize the importance the U.S. Government attaches to this issue, Deputy Assistant Secretary [Richard] Armitage visited Hanoi in February of 1982. The Vietnamese last fall accepted our proposal for regular, technical meetings and

maps and graphs; the establishment of a joint military communications link, which would be a high-speed facsimile link between the U.S. National Military Command Center and its Soviet counterpart; and the upgrading of existing diplomatic communications channels with higher speed data transmission capability. Also included is a proposal for an agreement, open to all states, which would call on the signatories to consult with each other in the event of a nuclear incident involving a terrorist group.

The Department of Defense recommendations complement the arms reductions proposals which the United States already has made to the Soviet Union in both strategic arms reduction talks (START) and the negotiations on intermediate-range nuclear forces (INF).

The initiatives also complement the confidence-building measures the United States already has proposed to the Soviet Union in the START and INF negotiations. Those measures would reduce the danger that nuclear war could ever arise from accident, misinterpretation, or miscalculation. They include proposals that the two sides notify each other in advance of all launches of intercontinental, submarine-launched, and land-based, longer-range intermediate-range ballistic missiles. Additionally, they would require each party to provide advance notice of major military exercises involving nuclear forces and to exchange information of unprecedented breadth and detail about their strategic and intermediate-range ballistic missiles.

Over the next few weeks, I will be giving the recommendations in the Defense Department report my full consideration.

¹Text from Weekly Compilation of Presidential Documents of Apr. 18, 1983. ■

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agreed to four a year. These meetings, two of which have already occurred, provide opportunities for exchanges of information and, we hope, will lead to further progress in identification and recovery of remains.

With respect to Laos, although they have returned only two sets of U.S. remains in past years, the League of Families' visit in September was helpful in encouraging the Lao Government to be more cooperative on MIA matters and in its relationship with the United States. For the first time since 1975, in February of this year, the Lao permitted a team from the Joint Casualty Resolution Center and the Central Identification Laboratory to visit Vientiane for talks with Lao counterparts about POW/MIA matters.

It is important to keep foremost in mind that when private Americans try to force their own solutions, our government-to-government efforts are jeopardized. We do not support or condone illegal forays by private Americans to search for remains or prisoners. They seriously complicate our efforts, involve

personal risks for those involved and possible arrest for violating the laws of the countries which they leave and enter. In fact, as Judge [William] Clark [Assistant to the President for National Security Affairs] stated to the National League of Families in January, "We are resolutely opposed to private cross-border forays. Such actions interfere with and damage legitimate efforts on a number of fronts." I cannot emphasize this point too strongly. For our part, we accept POW/MIA information from any source. Any information on material which is turned over receives thorough examination and analysis by DIA.

In closing, I would stress that we care deeply about our missing men. We are devoting our resources on a highest priority basis to the fullest possible accounting of those still missing and the repatriation of remains of those who died serving our nation.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Vietnamese Attacks on Refugee Settlements

DEPARTMENT STATEMENT, MAR. 31, 1983¹

We are appalled that Vietnamese forces on March 31 attacked indiscriminately settlements containing thousands of civilian Khmer who fled to the border from Vietnam's 1978 invasion and occupation of Kampuchea.

We strongly condemn these attacks which are a consequence of Vietnam's actions in Kampuchea in violation of the UN Charter and General Assembly resolutions. While details are not entirely clear, thousands of civilians have been forced to flee for survival from the March 31 attacks.

Just 2 months ago, the Vietnamese attacked a Khmer refugee camp near the Thai border village of Nong Chan, putting to flight some 40,000 civilians and destroying their settlement. We noted the Royal Thai Government statement of March 31 about the attacks and join the Royal Thai Government in calling on Hanoi to respect Thai territory and in condemning the attack on peaceful civilian inhabitants of the border area.

We applaud the prompt efforts of the Thai Government and international

organizations to render humanitarian assistance to the unfortunate victims who have fled into Thailand and will lend our own support to these efforts.

DEPARTMENT STATEMENT, APR. 4, 1983¹

Since our statement of March 31 condemning attacks by Vietnamese forces on Khmer civilian refugee settlements, we have seen reports that indiscriminate attacks on refugee camps have continued along the Thai-Kampuchean border.

We condemn Vietnamese actions which defy humanitarian principles and which have increased still further the suffering of Khmer who fled to the border to escape Vietnam's occupation of their country.

We note the joint ASEAN [Association of South East Asian Nations] statement of April 1 about the attacks and join ASEAN in condemning unprovoked and indiscriminate attacks by Vietnamese Armed Forces against Khmer civilians and threats to Thai territory.

¹Read to news correspondents by acting Department spokesman Alan Romberg. ■

U.S. Military Assistance to Thailand

DEPARTMENT STATEMENT, APR. 8, 1983¹

Over the next 10 days, three shipments of American-built military equipment are due to arrive in Thailand in response to Thai requests for speeded up delivery. The initial delivery will take place this weekend when a U.S. military plane is due to unload a number of Redeye ground-to-air missiles at Don Muang Royal Thai Air Force Base. That will be midday Saturday, April 9.

On Monday, April 11, a special airlift of two American C-5 transports will deliver 155mm extended-range howitzers, along with ammunition. These new model 198 howitzers were made available from America's inventory for its own forces to underline U.S. support for Thailand. On April 19 additional extended-range howitzers will arrive in Thailand aboard the merchant ship *S.S. Benjamin Harrison*. The procurement of these weapons for delivery to Thailand was also accelerated as a result of a Thai request.

These weapons have been purchased by Thailand under the U.S. foreign military sales (FMS) program. Thailand annually purchases military equipment averaging between \$150 and \$200 million in value. In addition, last year—FY 1982—the United States allocated to Thailand \$80 million in credits and grants for this purpose. So far this year, \$66 million has been made available, and the Administration is requesting a supplemental appropriation of an additional \$25 million.

In addition to speeding delivery of military supplies, the United States has responded to the situation created by Vietnamese attacks along the Thai-Kampuchean border by an immediate grant of \$1.5 million to the International Committee of the Red Cross (ICRC) for emergency medical care and other humanitarian assistance to victims of the fighting. Our Ambassador there, John Gunther Dean, also recently presented \$3 million to aid Thai villagers affected by the continuing conflict in Kampuchea and the influx of refugees.

¹Read to news correspondents by Department spokesman John Hughes. ■

Looking Toward Williamsburg: U.S. Economic Policy

by **Kenneth W. Dam**

Address at the Graduate Institution of International Studies in Geneva on March 21, 1983. Mr. Dam is Deputy Secretary of State.

Switzerland is the first stop in a trip that will take me to Norway, Denmark, West Germany, and Hungary. The purpose of my visit to Western Europe is to discuss with our partners in the industrial democracies the challenges we face. Those challenges are military, political, and economic.

- We must respond to the Soviet arms buildup by modernizing our deterrent where necessary and achieving effective arms control where possible.
- We must sustain our democratic values at home and support them abroad.
- And we must encourage noninflationary growth and maintain the open trading system on which it depends.

The last of these, the need for global growth, is my subject today.

We are now emerging from a recession that lasted 17 months. That recession was the longest since the end of World War II. Economic activity in North America and Europe has declined; Japan's industrial production has leveled off; the growth of several developing countries has stalled under the weight of the \$700 billion international debt. Unemployment has soared—32 million people are out of work in the 24 advanced countries of the Organization for Economic Cooperation and Development (OECD).

We all know that the recession has caused more than just hardship. It has strained democracy in some countries and caused political upheavals in others. Trade disputes have tested the bonds among long-time allies. The recession has challenged the West's capacity to match the Soviet arms buildup and encouraged dependence on trade with Eastern Europe and the Soviet Union.

We have been guided through this recession by the basic principle of allied cooperation: If any one of us tries to escape its problems by shifting the burden to its partners, all of us will fail.

There are now signs of economic revival in several industrial countries.

Those signs should be even more obvious by the end of May. At that time the heads of government of the seven largest industrial democracies, together with the President of the EC [European Communities] Commission, will meet in historic Williamsburg, Virginia.

My theme today is that the Williamsburg summit will represent a departure in tone and content from those of the recent past. Previous summits have been structured and formal. Williamsburg is intended to be flexible and informal. Previous summits have emphasized anti-inflationary policies. At Williamsburg the emphasis will shift to policies that promote growth—without reigniting inflation.

In discussing the issues the summit partners will face, I shall divide my remarks into three sections: first, an analysis of the causes of the world recession; second, a description of its cure—world economic growth; and third, a survey of the issues we cannot ignore if we are to seize the recovery that is within our grasp.

The Recession

The present state of the world economy has its roots in the 1960s and 1970s. Rising inflation in the late 1960s changed the competitive position of industries in Europe, Japan, and the United States and undermined the system of fixed exchange rates. The move to floating exchange rates in 1973 was followed within a year by a quadrupling of world oil prices and a shift in the distribution of the world's wealth.

After 1973 the Organization of Petroleum Exporting Countries (OPEC) moved into current account surplus and the oil-importing nations moved into corresponding deficit. From 1974 to 1980, the industrial nations faced current account deficits which averaged \$20 billion per year. The non-oil developing countries faced annual deficits of \$47 billion. These deficits placed huge demands for capital on financial markets. Commercial banks became the risk-taking intermediaries between OPEC and the borrowing countries. As a result, the level of international debt, now \$700 billion, increased more than sevenfold from 1972 to 1982. In the same 10-year period debt

to private lenders jumped from 48% to 60% of outstanding LDC [less developed country] debt.

It would be wrong, however, to characterize the legacy of the oil shock years as a debt problem. What we face today is an income-earning problem. True, LDCs borrowed a lot in the 1970s, but corporations borrow a lot also. The difference is that corporations invest in productive capacity to generate income to repay their debts. Some LDCs, however, tended to invest in consumption rather than production, borrowing to finance internal income transfers. This questionable strategy was tolerable as long as LDC export earnings grew fast enough to service their debts. That was the case from 1975 to 1979, when LDC exports grew 22% annually, roughly keeping pace with the 25% annual growth of LDC debt.

After the second oil shock in 1979-80, however, the major industrialized nations adopted more restrictive monetary policies. Those policies slowed inflation, boosted real interest rates, and set in motion a retrenchment from the economic excesses of the 1970s. The average price per barrel of OPEC oil jumped from \$13 at the end of 1978 to over \$35 in 1981. This increase drew \$200 billion, or 3%, from the national incomes of OECD countries. The corresponding reduction in real demand in the West reduced LDC export earnings and depressed prices of LDC commodities. Simultaneously, high interest rates and a strong dollar increased LDC debt service costs from 18% of their total exports in 1980 to 24% in 1982.

The problem faced by high-debt developing countries is serious. Rising debt service costs consume a growing proportion of declining export earnings. Many LDCs are now struggling to increase exports and curb imports. To manage their debt problems, they need access to our markets. This comes at a time when we in the West have experienced record levels of unemployment, worsened trade balances, and reduced real income. As a result, the international financial, trade, and monetary systems are under serious strain.

The Cure: World Economic Growth

But trying to solve the debt problem without solving the world economic problem is like putting out the fire in the ashtray when the living room is ablaze. The only lasting solution to the income-earning problem of the LDCs, as well as

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the serious economic problems of the industrialized countries, is sustained global growth. Such growth will require sound domestic policies that keep inflation low and spur production and investment.

Several major industrialized countries are poised to lead an expansion of the world economy. In the United States, for example, inflation (measured by the consumer price index) has plunged from 12.4% in 1980 to just 3.8% in the 12 months ending this January. The prime rate is now at 10.5%—about half its recent peak of 21.5%. In February industrial production rose for the third consecutive month to a level 1.8% above the November 1981 low. Finally, the Dow-Jones industrial average has topped the 1100 mark for the first time in history. Our Commerce Department's chief economist called these figures "damn good news."

The recent rollback in oil prices is more good news. Just as oil price increases in the 1970s were deflationary in terms of aggregate spending, price declines should prove expansionary. It has been estimated that a \$5-per-barrel decline will boost gross domestic product by 0.5% this year in the OECD area and decrease the inflation rate by one percentage point, lowering interest rates as well. Lower oil prices may hurt some oil producers such as Mexico, Venezuela, and Nigeria. But the benefits from lower interest rates and higher economic growth should be much greater worldwide.

We are now at a new beginning. Inflation and energy prices—the twin constraints on growth since the early 1970s—have moderated. At Ottawa and Versailles the emphasis was on anti-inflationary policies. At Williamsburg the emphasis will shift to growth. We should not resist this shift, but discipline it. The industrial democracies of North America, Europe, and Asia must forge an economic strategy for sustained growth that does not imperil the gains made against inflation over the past few years. Such a strategy would have to concentrate on four areas:

First, strengthening the open trading system;

Second, supporting the international financial system;

Third, improving the monetary system;

Fourth, developing a unified allied approach to East-West economic relations.

Let me now address each of these areas in turn.

Strengthening the Open Trading System. Last November's ministerial meeting of the General Agreement on Tariffs and Trade (GATT) failed to accomplish all that we wanted. But it kept the GATT system together and moving, however slowly, in a positive direction. The ministers pledged "to refrain from taking or maintaining any measures inconsistent with the GATT." Translating that open trade pledge from words into concrete actions is more difficult and more crucial than ever.

Economic growth faltered in the mid-1970s and has slowed drastically since 1980. During 1980–82, real output in the OECD area rose only 2%. Reflecting this slowdown in growth, world trade, which was stagnant in volume in

1981, fell an estimated 2% in 1982.

The key to recovery is doing more business, not less. Yet the recession and high unemployment rates in the West understandably have increased protectionist pressures. In the United States, for example, the 98th Congress will probably press for local content legislation, agricultural subsidies, and protectionist measures directed at hard-hit sectors such as steel and autos. Europe sins, too. Because of existing voluntary restraint agreements, in any year only 11 out of 100 British car buyers (and only 3 in 100 French) can choose a new Japanese car.

These protectionist measures threaten to choke off recovery. Quotas, tariffs, and other trade barriers raise costs to

Deputy Secretary of State



(Department of State photo)

Kenneth W. Dam was born in Marysville, Kansas, on August 10, 1932. He graduated from the University of Kansas (1954) and took his law degree from the University of Chicago (1957).

Prior to assuming his present position on September 23, 1982, Mr. Dam was the Provost of the University of Chicago. He first joined the faculty of the University of Chicago Law School in 1960, after serving as

law clerk to Mr. Justice Whittaker of the U.S. Supreme Court and practicing law with Cravath, Swaine and Moore in New York City. He was named Professor of Law in 1964 and became the Harold J. and Marion F. Green Professor of International Legal Studies in 1976. He became Provost in July 1980.

Deputy Secretary Dam took leave of absence from the University of Chicago in 1971 to serve in the Federal Government as Assistant Director for National Security and International Affairs of the Office of Management and Budget (OMB). In 1973 he was named Executive Director of the Cabinet-level Council on Economic Policy.

After returning to the faculty of the University of Chicago Law School in 1974, Mr. Dam continued his government service as a consultant from time to time to OMB, the Department of the Treasury, and other government agencies.

Mr. Dam is a member of the Board of Directors of the Chicago Council on Foreign Relations and a member of the Council on Foreign Relations in New York. He has also served on the Academic Advisory Committee of the American Enterprise Institute and the Research Advisory Board of the Committee for Economic Development. In 1981 he was elected to the American Academy of Arts and Sciences and in 1968 to the American Law Institute.

His books include *The Rules of the Game: Reform and Evolution in the International Monetary System* (1982); *Economic Policy Beyond the Headlines* (1977), with George P. Shultz; *Oil Resources: Who Gets What How?* (1976); and *The GATT: Law and International Economic Organization* (1970). Mr. Dam has also published numerous articles on legal and economic issues. ■

us and deny borrowing countries the hard currency earnings needed to service their debts and buy our exports. Conversely, open trade speeds resources to their most productive uses and creates more jobs than it destroys. Consequently, President Reagan has pledged that the United States will not turn its back on the principle of open trade.

That does not mean, however, that we will turn the other cheek toward other nations' trade-distorting practices—especially those imposed on sectors, such as agriculture and services, in which we enjoy a comparative advantage. The United States sees no difference between trade in these sectors and trade in other goods.

Yet uncompetitive practices, such as the European Community's export subsidies, continue unabated. While agricultural prices in the United States have been steadily falling in real terms since their 1973 peak, the EC's common agricultural policy has artificially boosted prices on some key commodities to double those in the United States, encouraging high production. The resulting surplus is then exported with the aid of massive subsidies. This practice has helped European farmers to expand their share of third-country markets at the expense of American farmers.

The United States appreciates the problems faced by European leaders in formulating agricultural policies. We have responded to EC subsidies through serious negotiation and through selective action: Recently we sold subsidized wheat flour to Egypt.

The issue of protectionism is an economic one. But it is a political imperative to resolve it before it threatens more basic common interests. As Secretary of State Shultz said in testimony before the U.S. Congress:

Temporary . . . measures such as the wheat flour transaction can be justified on the ground that "when all the world is mad, 'tis folly to be sane." But temporary measures tend to become permanent, and retaliation has an inherent tendency to escalate. Constructive negotiations—in which we meet unreason with reason—present the only lasting solution to protectionist problems. . . .

This is the spirit my government has taken in approaching these problems. We hope our partners will reciprocate.

Supporting the International Financial System. A strong system of open trade will do more than ease the unemployment problems of the industrialized countries. It will also ease the debt problems of the developing

countries. Import cuts in debtor countries can free up only so much hard currency; export growth must lead the way in their recovery.

The cases of Brazil, Mexico, and Argentina have shown that the debt burden can be managed. A successful strategy includes a combination of short-term bridge financing, plus adjustment programs implemented in conjunction with the International Monetary Fund (IMF) and commercial banks. Private banks, however, are now reducing their rate of new lending to the developing world. Net new bank lending was flat between the first half of 1981 and the first half of 1982. Estimates for the second half of 1982 show a precipitous drop in new lending.

An abrupt contraction in new lending would imperil the recovery of the debtor countries. Reduced lending would also retard American and European recovery by contracting LDC imports from the West. The Morgan Guaranty Trust Company estimates that if capital flows in the LDCs were cut by \$25 billion, OECD growth would drop half a percentage point. With OECD growth in 1983 expected to be only 1.8%, half of a percentage point would be a significant decline.

The Morgan Guaranty study is hypothetical. But import cuts are already a reality. A dramatic case in point is Mexico. In 1982 Mexican imports from the United States dropped 37% from the 1981 level. Consequently, in a single year the U.S. balance-of-merchandise trade with Mexico swung from a \$3.7 billion surplus to a \$4.5 billion deficit. This swing had adverse effects on our economy and our employment situation.

The international economy is too vulnerable to contraction to permit a continued decline in lending to the Third World. Private banks in the United States, Europe, and Japan have a collective interest in extending sufficient new money to permit the developing countries to service their debts. Western governments have a similar stake in seeing that the LDCs have sufficient capital to pay for imports that will enhance LDC productivity and contribute to world economic growth.

The United States stands ready to do its part. The Reagan Administration strongly supports the proposed 47.5% IMF quota increase. We also support the expansion of the General Arrangements to Borrow from \$7 billion to \$19 billion. The United States has urged that the

quota increase go into effect in 1983 instead of 1985. These funds are needed not to help developing countries pay off old debts. These funds are needed to encourage sound policies—policies to curb inflation, trim government spending, and shift resources from consumption to investment. By providing supplementary financing to ease the process of adjustment, the IMF contributes to the maintenance of economic and political stability in the developing world. I am confident that the U.S. Congress will recognize the close links between our own well-being and LDC growth and will act quickly to approve the quota increase.

Improving the Monetary System.

The economic expansion needed to boost recovery in the West and ease the debt burden of developing countries would be aided by stability in exchange markets—something we have not had in recent years.

Financial flows, for example, are having a powerful effect on exchange rate movements. This presents difficulties from the standpoint of trade. During 1982 financial flows into the United States led to the greatest appreciation of the dollar since the beginning of floating rates. The strong dollar increased the price of U.S. exports abroad and decreased the cost competitiveness of U.S. industry. The effect of dollar appreciation on other industrial countries was a drop in the exchange rate of their currencies and higher domestic inflation. The strong dollar is expected to increase the U.S. trade deficit in 1983.

An additional problem we face in the international monetary system is the great volatility in exchange rates. For example, between May and November of 1982, the yen depreciated from about 230 yen to the dollar to 276. This depreciation raised the price of U.S. exports in Japan and in third country markets and reduced the price of Japanese goods to importers worldwide. By the end of the year, however, the yen had swung back to its prior level of 230.

The causes of exchange rate volatility are many and complex. The problem is due in large part to different inflation, interest, and savings rates among the major industrial countries. The United States believes that a convergence of underlying economic policies is necessary to achieve greater exchange rate stability. Fortunately, the multilateral surveillance initiative adopted at

the Versailles summit should help ensure close consultations on economic policies as the recovery proceeds.

East-West Economic Relations. I began this discussion by noting the fundamental economic, military, and political goals that face the Western democracies. Those goals are not distinct but interrelated. To ensure that economic expansion reinforces our other objectives—safeguarding the peace and supporting democratic values—the United States and its allies have agreed on the need for a common approach to East-West relations.

On November 13, 1982, President Reagan announced that the major industrial nations of the West recognized “the necessity of conducting their relations with the U.S.S.R. and Eastern Europe on the basis of a global and comprehensive policy designed to serve their common fundamental interests.” As a result, a consensus was reached with our allies:

- Not to engage in trade arrangements which contribute to the military or strategic advantage of the Soviet Union;
- Not to give preferential aid to the heavily militarized Soviet economy; and
- Not to sign any new natural gas contracts with the Soviet Union, pending a new alliance study on energy alternatives.

On the positive side, we agreed to strengthen existing controls on the transfer of strategic items to the Soviet Union and to examine whether our collective security requires new controls on certain kinds of high technology including oil and gas equipment. We also agreed to work toward harmonizing our export credit policies.

It is important to note, however, that the United States does not advocate economic warfare. Rather, we simply believe that trade with the Soviet Union should be conducted within a common framework consistent with our political and security objectives. As a result, the United States desires to maintain an open door to mutually beneficial East-West trade based on sound commercial principles, while restricting strategic exports and other trade arrangements that would enhance Soviet military capabilities.

Action is being taken on the studies agreed to by the allies. We expect some results to be available in time for the Williamsburg summit. There is a widening consensus on the basic principles

that ought to guide East-West economic relations. Western governments should now develop the policies that will give concrete expression to that consensus.

Conclusion

Williamsburg, Virginia, has played a unique role in our history. The Virginia Declaration of Rights was signed at Williamsburg in 1776. That declaration was derived from the British Magna Carta; it was echoed in the French Declaration of the Rights of Man. It sets forth those ideals that we in the West hold in common:

- “That all men are by nature equally free and independent;”
- “That all power is vested in, and derived from, the people;”
- “That government is, or ought to

be, instituted for the common benefit, protection and security.”

When the summit partners gather at Williamsburg in May, we will have an opportunity to reaffirm those ideals. We have weathered oil shocks, inflation, and recession. I am confident that we can master our new challenges:

- To support the principle of open trade;
- To strengthen the international monetary and financial systems; and
- To develop a new consensus on East-West relations.

Our task will be to forge a strategy for noninflationary growth. Our triumph will be in demonstrating the ability of free markets and democratic governments to provide for our “common benefit, protection, and security.” ■

Economics and Politics: The Quandary of Foreign Aid

by W. Allen Wallis

Address before the Heritage Foundation and the Philadelphia Society, Washington, D.C., on March 3, 1983. Mr. Wallis is Under Secretary for Economic Affairs.

I will organize my remarks tonight under four broad headings:

First, the economic rationale for foreign assistance;

Second, the political and strategic purposes for which much of our aid is, in fact, used;

Third, the importance of reconciling these two purposes; and

Fourth, what can be done to make the best use of the resources we channel to developing countries.

Economic Rationale for Foreign Assistance

Last year I had the great pleasure of spending an evening in London with my old and admired friends, Peter Bauer and Basil Yamey [professors at the London School of Economics]. It is not news to anyone here that Bauer and Yamey make a powerful case against official development assistance. Both their writings and their speeches are striking for their cogency and for the clarity and force of their arguments. They have done an important job in demolishing

many of the “economic” arguments often cited in favor of official foreign assistance.

Personally, I am persuaded by the major thrusts of their arguments. Foreign assistance is inherently a government-to-government program. There may be exceptions, of course, but the nature of economic organization in most developing countries—indeed, the nature of one sovereign country’s dealings with another—guarantees the validity of my statement. It is no secret that I feel strongly about the problems of government intrusion in the economy and of misguided policies which fail to utilize market forces. Foreign assistance cannot escape the limitations inherent in any government-run program. Instead of denying or ignoring those limitations, we should allow for them. We should strive for the quality Herman Wouk attributed to the Navy when he described it as an organization designed by geniuses so that it could be operated by morons.

It would be of little interest to you if I were simply to agree with Peter Bauer and others here that we should be skeptical about the economic benefits of foreign assistance. If that were all I had to say, you would do better to listen to him some more. That may be even more true of what I have to say. I will engage

in a bit of devil's advocacy. Since coming to Washington last summer, I have been surrounded by proponents of foreign assistance, so that by now any comparative advantage I have in this group should lie in that direction.

First, just what is economic assistance? It takes many forms—from general advice on economic policy by transitory advisers to long-term training of individuals and building of institutions; from “soft” loans or grants to so-called “hard” loans at market rates. Asking whether assistance really helps is too general a question. The important questions are whether some forms of foreign aid can assist the process of economic development; and, if they can, do they?

The case for foreign aid, as I see it, depends on concepts such as additionality, catalysis, leverage, and infrastructure.

Additionality refers to the notion that, for some countries at some times, the extra foreign exchange needed for some useful investments can be found only outside the market. Similarly, the development of managerial and technical skills may be retarded if all the relevant services must be bought at market prices.

Catalysis refers to the idea that, even for a country with a reasonable level of domestic savings and openness to foreign investment, the capital for some economically important projects might not be forthcoming without government involvement to pull the project together or to provide a key element.

Leverage refers to the concept that donors of aid, including the development banks, can educate, encourage, cajole, or otherwise inveigle the governments of underdeveloped countries into using investable resources—or preferably allowing them to be used—more effectively.

Infrastructure refers to the importance for development of skilled manpower; of certain types of institution; and of such basic facilities as roads, sewers, and water. The economic rationale is comparable to that used to support agricultural research in the United States.

This is not intended to be a complete list, merely to illustrate a line of thought. Before I pursue it further, however, I want to preempt the question which is forming in each of your minds: “Why should governments second guess markets which choose not to supply capital, or technology, or whatever to certain projects?” To put it differently: “How can a government, whether donor

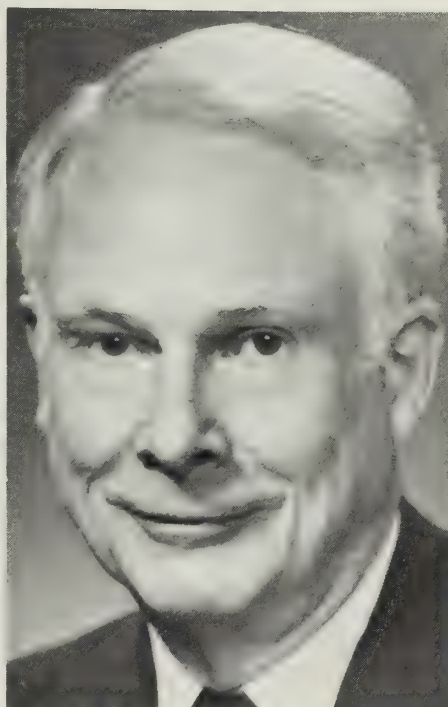
or recipient, know more about how to allocate resources than the market?”

There are possible answers that deserve serious consideration. One possible reason is that utility functions differ. The participants in private markets may have different variables in their utility functions than do governments, and almost certainly they attach different coefficients to the variables. Governments will be concerned with long-run political stability as well as with economic returns. On the margins, a given project may be below the line for private actors but worth doing in the government's ranking of priorities. A danger, of course, is that economic returns will be totally neglected by the government. Another danger is that the utility function of the government—which in practice means the utility function of the governors—may be less con-

ducive to the general welfare, however defined, than is the utility function of the market. Association of private financing with government aid may help to ensure the economic value of the projects that are supported.

Government action, or potential government action, can be a powerful deterrent to the private sector. When a government takes office intent on opening an economy to private initiative, it may be some time before the market is convinced that the change is stable and can be relied on. The Seaga government in Jamaica is an example. Following years of experimentation with socialism, Jamaica's economy was in a shambles. President Seaga was elected on a pledge to return the economy to the market. That is a laudable objective. It holds out great hope for the development of the economy of Jamaica and for the freedom

Under Secretary for Economic Affairs



(Department of State photo)

Economy at Columbia University (1935) and was an instructor in the Department of Economics at Yale University (1937). He held positions as Assistant and Associate Professors of Economics at Stanford University (1938-46) and Professor of Statistics and Economics in the Graduate School of Business at the University of Chicago (1946), later becoming Chairman of that Department (1949) and Dean of the Graduate School (1956-62).

Mr. Wallis has served the Federal Government in numerous capacities including membership on the President's Commission on an All-Volunteer Armed Force (1969-70); the National Commission on Productivity (1970-74); and the Corporation for Public Broadcasting (1975-78). He also served on the Task Force on Education and the transition team of the International Communication Agency for President-elect Reagan.

During the past 20 years, Mr. Wallis has been elected to the board of directors of nine major U.S. corporations including Bausch & Lomb, Macmillan, Eastman Kodak, Metropolitan Life Insurance, and Standard Oil of Ohio. In addition, he holds several trusteeships and has served the academic, civic, and philanthropic communities in numerous capacities. He has authored 10 books and monographs and has published numerous scholarly articles on economics and public and international policy.

Mr. Wallis served as President and Chancellor of the University of Rochester (1962-78) and remained affiliated with the University retaining the title of Chancellor until his nomination as Under Secretary.

He was sworn in as Under Secretary of State for Economic Affairs September 23, 1982. ■

W. Allen Wallis was born November 5, 1912, in Philadelphia, Pennsylvania. He received an A.B. from the University of Minnesota graduating magna cum laude (1932) and studied economics at the graduate level at the Universities of Minnesota and Chicago (1932-35). He is also a member of Phi Beta Kappa.

Mr. Wallis began his academic career as a Granville W. Garth Fellow in Political

and welfare of the people of Jamaica. But could prudent investors have relied immediately on the success and permanence of the change? Governments with a stake in the future of a free and democratic Jamaica were well advised to provide promptly any assistance that can bring Jamaica's potential to fruition.

Investment in infrastructure is widely held to be an appropriate role of government. Linking remote producers to markets and providing power, communications, and education is recognized to be conducive to development. The economic history of the United States teaches us that even these can be provided by the private sector under certain circumstances. But, unfortunately, those circumstances are not likely to be duplicated in today's world, either developed or developing. How many privately financed public roads have been built in the United States in the last 25 years?

These considerations do not prove that in practice foreign assistance is actually effective. They merely suggest that it might be. They do not even suggest, however, that foreign aid is the key to economic development. We could pour massive amounts of assistance to no avail into a country hell bent on destroying itself. The economic policies of a developing country are, without question, the key to development. A developing country with sound economic policies can benefit from well-conceived foreign aid.

If I go further with my role as devil's advocate, I may sprout horns and a tail. So let me stop the economic rationale for economic assistance and turn to the political rationale.

Political Rationale for Foreign Assistance

As you know, the Reagan Administration places great emphasis on political and strategic considerations in allocating and justifying foreign assistance. Whatever the rhetoric may have been in the past, however, the fact is that we always have given a significant portion of our foreign assistance in the hope of winning and keeping friends and influencing people.

Currently, we call 63% of our aid "security assistance." Its main components are military assistance and economic support funds, and, as you know, most of each goes to two countries, Israel and Egypt. In some extreme cases, the military component of our security assistance goes toward the

costs of a war in which we have a stake. A current case is El Salvador. A variant on this is providing funds to help strengthen allies who are strategically important to us. Israel, Pakistan, Turkey, Sudan, and Somalia are examples. In certain other cases, we are, in effect, simply offering assistance in consideration of military accommodations.

In other instances, we attempt to promote political stability for a government which is important to our strategic interests. This may take the form of facilitating the economic adjustment of a key ally by providing economic support funds for short-term balance-of-payments support in tandem with an International Monetary Fund program. Recent successful examples of this are Portugal and Turkey. Within the last few years, both countries faced severe balance-of-payments crises and economic disruptions which threatened their political stability. Each has since made great progress in economic adjustment and has avoided severe political damage. "Security" assistance often serves an important economic purpose, even though it arises from motives that are primarily political.

Economic development and humanitarian considerations play a much larger role in our so-called "economic assistance" programs than in security assistance programs. There is, nevertheless, also a political rationale for these economic assistance programs. For example, assistance to friendly, or sometimes even to neutral, underdeveloped countries can help promote political stability and avoid the movement of less developed countries toward communism. Economic aid may be seen as a useful form of long-term insurance, even where there is no short-term strategic problem to deal with. Conversely, targets of opportunity are likely to be exploited, sooner or later, by our adversaries.

Some argue that there would have been fewer Nicaraguans and El Salvadors if the Alliance for Progress had had the money to maintain its early momentum through the 1970s. At any rate, such reasoning has been, and remains, an important factor in justifying the economic portion of U.S. foreign assistance.

For multilateral assistance, still another political justification is adduced. Many of our major allies are now strongly committed, in some cases as a result of our own earlier persuasiveness, to the idea that multilateral foreign assistance is both politically important

and economically effective. Those allies want us to do what they see as our fair share. They argue that because we took the lead in creating the World Bank and the regional development banks we have a responsibility to help ensure their continuing effectiveness. The year-long study of the multilateral development banks undertaken at the start of the Reagan Administration—strongly influenced by the knowledge and perspective of Wilson Schmidt [the late Wilson Schmidt, U.S. Executive Director-designate of the World Bank] and of Beryl Sprinkel [Under Secretary of the Treasury]—reached the same sort of conclusion.

The underdeveloped countries attach great importance, of course, to multilateral aid and thus to the U.S. role in maintaining it. In short, for the United States to abandon its leadership in the multilateral aid institutions would undercut our leadership of the Western alliance, as well as our influence with the underdeveloped countries. Multilateral flows also are often coincident with our political interests in that they sometimes add substantially more to resource levels we make available to key countries on a bilateral basis.

Reconciling Political and Economic Objectives: The Quandary

I started by describing the conditions under which foreign assistance might contribute to economic growth—namely that recipient countries pursue economic policies conducive to development and that donor countries make allocations that support these policies. Allocations that are politically based are unlikely, of course, to coincide with good economic development policy. Obviously, I cannot name names, but all of us can cite countries where aid has continued to flow, even to increase, to governments which have persisted in poor economic policies. Some major bilateral aid recipients at times seem to believe that we dare not cut back on aid even if our recommendations for reforming their economic policies are ignored.

Fortunately, not too many cases are this extreme. The less sure a recipient government is that we will continue aid come what may, the greater the chances that our views on economic policy will be taken into account. This is an area in which skillful diplomacy can play an important role. Even so, I would be the

first to admit that donors of bilateral aid often are not able to exercise much leverage on policy. There are several reasons for this:

- Bilateral donors are more likely than multilateral donors to be prisoners of their clients;
- Their advice is often viewed as less credible, less well based technically, and more intrusive upon sovereignty, and
- They generally have less money to lend or give.

It follows that in order to achieve the economic objectives of foreign assistance, we must make full use of our influence at the International Monetary Fund, the World Bank, and the regional development banks; and we must ensure that our bilateral aid supports the same objectives. It is essential that economic assistance, bilateral or multilateral, not become an entitlement program with the spigot open even in the face of inadequate policies. This was among the main conclusions of the Reagan Administration's intensive assessment of the multilateral development banks. In the year since the publication of that assessment, we have been pleased by the responses of the managements of these institutions to its findings.

Nevertheless, the fact is that bilateral assistance is likely to remain the bulk of our aid program for the foreseeable future—it now constitutes over 85%—and that political and strategic considerations will continue to be major factors in allocation. We are endeavoring to see that the funds are spent in ways that promote growth that will be lasting, self-sustaining, and broadly based.

Can We Resolve the Quandary?

The answer is no—at least, not entirely. What we can do is minimize the potential conflict between security and

political objectives on the one hand and economic development on the other. Let me offer a few ideas on what we can and should do.

- We should ensure that the terms of financing for military sales are tailored to the prospective balance-of-payments of the receiving country. To achieve this, guarantees of commercial lending must be adequately balanced by concessional direct loans or grants.

- We should use our bilateral aid in ways that are as supportive as possible of economic reform and structural adjustments supported by the World Bank and International Monetary Fund. We should press these institutions to orient their advice toward efficient use of markets and, where feasible, to coordinate with other donors.

- We should keep some ambiguity in the way we allocate economic support funds and other assistance, so that recipient countries will not take these funds for granted and feel free to ignore the advice on policies that we—or the Fund or the Bank—give.

- We should persist in phasing out economic aid to countries as their economies mature—graduate them, so to speak.

- We should continue to encourage cofinancing, possibly multilateral investment insurance, and other mechanisms which make available greater sums of private money for development on terms that the recipient countries can prudently sustain.

Conclusion

To conclude, I want to review the main themes of my remarks. The essential requirement for economic growth is good economic policies in the developing countries. Without that, there is little which aid can accomplish. With good policies,

properly conceived aid can help to accelerate development. Properly used, aid can help to encourage and support good policies or, at least, avoid undercutting them. Nevertheless, there are many pitfalls—ably pointed out by many of you gathered here—pitfalls which are difficult to avoid when political and strategic concerns predominate.

Given U.S. commitments in the world, aid will continue to be an important tool of U.S. foreign policy. If we are to avoid squandering this aid and even doing more harm than good, we will have to face the challenge of sensible and courageous management of these funds.

Finally, I will toss a challenge to you. In an uncertain and often unstable world, political and strategic considerations weigh heavily in economic decisions. Peter McPherson [Administrator of the Agency for International Development], Beryl Sprinkel, George Shultz [Secretary of State], Kenneth Dam [Deputy Secretary of State], Dick McCormack [Assistant Secretary for Economic and Business Affairs], and I are among those in the Reagan Administration supporting programs which promote rational, market-based, free-enterprise economic policies—at home and abroad. We can use your help. We are all too familiar with how aid can be squandered, misused, counterproductive, or otherwise wasted. My challenge to you is, how can we make a program that is inherently government-to-government serve the cause of good economics? Granted that we will have foreign aid, whether you and I think we should have it or not; and granted that aid will be on a government-to-government basis, whether you and I think it should be on that basis or not—given those two conditions, and pending any changes in them that may be desirable, how can we best promote the economic welfare of the recipient countries and of our own country? ■

Implications of a Nuclear Freeze

by Richard R. Burt

Statement before the Subcommittee on Procurement and Military Nuclear Systems of the House and Armed Services Committee, on March 9, 1983. Mr. Burt is Assistant Secretary for European Affairs.¹

I particularly welcome the opportunity to testify before this committee on the subject of a possible freeze on the U.S. nuclear arsenal. I welcome it for several reasons:

- Because this is an issue of such fundamental importance to the security of the United States;
- Because of its impact on our allies; and
- Ultimately, because of its importance to the maintenance of peace.

The prevention of nuclear war is the highest priority of this Administration. It must be the highest priority of any administration in the nuclear age. All of us know what nuclear war would mean for our country and the world. As the President himself has repeatedly said, in such a war there can be no winners.

No one has a monopoly on the desire to avoid a nuclear catastrophe. We recognize that nuclear freeze proposals issue from a profound concern about the

malevolent intentions. The issue is how to translate the good intentions of those who desire effective arms control into actions which will achieve that end.

I believe the proposals for a freeze on the U.S. nuclear arsenal—however well intentioned they are and however attractive they may seem—would not achieve their stated purpose. On the contrary, I am convinced that they would diminish our national security and ultimately increase, not reduce, the danger of war.

- A freeze would encourage, rather than discourage, threatening Soviet behavior.
- It would hinder, rather than help, our efforts to achieve effective arms control.
- And it would weaken, rather than strengthen, the Atlantic alliance which is the cornerstone of our own security.

Implications for Our Relations With the Soviet Union

The effective management of our relations with the Soviet Union is essential to the preservation of peace and stability in the world. Toward that end, our policy toward the Soviet Union must be based on consistency, resolve, and national and allied unity. We cannot successfully manage this vital relation-

out the most intensive conventional and nuclear military buildup in peacetime history.

The changes in the military balance—or as the Soviets would say, the correlation of forces—which resulted from our respective policies during the 1970s mean that even a mutual freeze under present circumstances would only legitimize the existing Soviet nuclear advantage with uncertain and potentially dangerous political and military consequences.

The Soviet Union has itself frequently advanced proposals for freezing forces, so as to conserve the military advantages it has acquired and avoid having to undertake significant reductions in arms control negotiations.

A freeze would undermine the relative capability of our nuclear deterrent vis-a-vis the Soviet Union and, as a result, the credibility of our strategy of deterrence, which has successfully preserved the peace for over three decades. Moreover, as you know, it would not be verifiable.

The Soviet leadership's assessment of our resolve is every bit as important to the effectiveness of deterrence as is the Soviet calculation of our military capability. But even a nonbinding freeze resolution would raise the most fundamental questions about our will to deter aggression and, if necessary, repel it with force.

Implications for Arms Control

Many proponents of a freeze maintain that it could be an effective first step toward arms control. In fact, I fear that it would have just the opposite effect. As you know, we are engaged in a variety of arms control endeavors.

In START [strategic arms limitation talks], we are seeking deep cuts in strategic nuclear weapons, whose existence inspires such justified concern, and we are focusing our efforts on the most destabilizing systems, namely land-based intercontinental ballistic missiles.

In INF [intermediate-range nuclear forces], we have proposed the elimination of an entire class of U.S. and Soviet nuclear weapons—an unprecedented offer in the history of nuclear arms control. The President has at the same time made clear that this is not a take-it-or-leave-it offer. Ambassador Nitze [Paul H. Nitze, head of the INF negotiations] has been authorized to explore any possible solutions which would take four fundamental principles into account.

A freeze would undermine the relative capability of our nuclear deterrent vis-a-vis the Soviet Union and, as a result, the credibility of our strategy of deterrence, which has successfully preserved the peace for over three decades.

danger of nuclear war; we fully share that concern. We also know that these proposals are supported by many who are deeply committed to rapid and significant progress in arms control. We, too, share that commitment.

The debate here is not over ends; it is about means. It is not a debate between those with good and those with

ship—we cannot moderate Soviet international conduct—on the basis of gestures which would only be interpreted as signs of weakness and division.

Unilateral U.S. restraint during the 1970s, which was tantamount to a freeze on our part, did not produce Soviet restraint. On the contrary, the Soviet Union implemented expansionist policies in far regions of the world and carried

- Any agreement must provide for equal levels between the United States and the Soviet Union.
- As a corollary, no agreement should include the independent national deterrents of France and Great Britain.
- An agreement should not have the effect of transferring the threat from Europe to Asia.
- And any agreement must provide for effective verification.

These are not only eminently fair and reasonable conditions. They are absolutely vital to serious and effective arms control. It remains for the Soviet Union to decide whether it will negotiate on the basis of them.

We are also seeking significant reductions of military manpower in Europe in the MBFR [mutual and balanced force reductions] negotiations, as well as a total verifiable ban on chemical weapons, which we are pursuing in the Committee on Disarmament in Geneva.

In all of these negotiations we are pursuing the same goal: arms control agreements which will enhance peace and stability not by just placing a ceiling on the arms race but by actually producing verifiable, militarily significant reductions in armaments.

The principal obstacle to progress in all these arms control endeavors so far has been Soviet reluctance to agree to significant reductions and/or to a verification regime which would guarantee compliance.

Whether the Soviet Union will change its position in this regard is difficult to predict. But it is certain that it will not if it has no incentive to do so. A freeze would, in effect, reward the Soviet Union for its arms buildup.

The Soviets have agreed to real arms control only when it has been in their interest to do so. You will recall the major debate over the ABM [antiballistic missile] system. Only when the Congress—by one vote—authorized the government to proceed with the ABM did the Soviet Union have the incentive to enter into negotiations on and eventually agree to the ABM Treaty.

Prior to NATO's 1979 dual-track INF decision, the Soviet Union was unwilling to consider control on the SS-20 missiles. It was only after that decision was taken and after the Soviets were finally convinced, on the basis of U.S. and allied preparations, that we were fully committed to implementing the 1979 decision did they agree to negotiations.

We must ask ourselves whether the Soviet Union would be in Geneva today

negotiating over these systems if we had not moved ahead with preparations for counterdeployments of U.S. longer range INF missiles. Similarly, the prospect of U.S. strategic modernization continues to be a vital element in ensuring serious START negotiations.

With your permission I would like briefly to read to you the views of Ambassadors Nitze and Rowny [Edward L. Rowny, special representative for arms control and disarmament negotiations] on the freeze question:

- Ambassador Nitze reports that, "... the passage [of a freeze resolution] would seriously undermine our ability to negotiate an equitable agreement. . . . Continuation of NATO preparations for deployment of U.S. longer-range INF missiles in Europe and the prospect of that deployment are the strongest incentives the Soviets have to negotiate seriously. . . . Were the development and deployment of U.S. longer-range INF missiles to be deferred, we would have virtually no bargaining leverage with the Soviets. They would have every reason to draw out the negotiations indefinitely without results."

- Ambassador Rowny, for his part, advises that "negotiations on reducing strategic arms would be made immensely more difficult, if not impossible, by passage of a freeze resolution. . . . The Soviets would have no incentive to negotiate. . . ."

We should not delude ourselves. A mutual freeze would be every bit as difficult to negotiate as arms reductions themselves—indeed, such a complete ban on production, development, and deployment of new systems could prove even more complicated than our current complex and difficult arms talks.

Moreover, a freeze would be a step backward. In START both sides have accepted the concept of reductions; in INF the Soviets have moved away from rigid insistence on the maintenance of current SS-20 force levels. Why should we throw away the opportunity to achieve real reductions in the talks which are now under way in exchange for the uncertain and potentially dangerous alternative of a freeze?

Implications for Relations With Our Allies

The U.S. strategic deterrent is fundamental to the effectiveness—even the survival—of NATO.

- Militarily, our nuclear forces are the capstone of NATO's deterrent and the linchpin of our strategy of flexible response. They are the ultimate link between European security and our own, as the only forces which ultimately can deter the Soviets from using, or threatening to use, their own nuclear potential or massive conventional forces.

- Politically and psychologically, our strategic deterrent and the presence of U.S. troops in Europe symbolize our commitment to the defense of Europe and our conviction that the security of Western Europe and our own security are, indeed, indivisible.

A freeze would undermine our capacity to defend Europe, and it would inspire doubts among European leaders and publics about our resolve to do so. As such, it would have the most deleterious effect on the underpinnings of the alliance.

It is significant that no major allied government, all of which support arms control in principle but are deeply concerned about Soviet nuclear modernization and the current nuclear balance, has spoken out in favor of a freeze. Indeed, they have all repeatedly rejected Europe-wide freeze proposals offered by the Soviet Union. By destroying the deployment track of the NATO two-track decision, a freeze would cut the ground out from under these European leaders who have steadfastly held to implementation of that decision.

In short, a freeze resolution would call into question the will and ability of the United States to exercise its leadership in a manner which protects the interests of all.

Conclusion

To sum up, I believe that the consequences of a freeze resolution would be the opposite of those its proponents hope to achieve.

- It would encourage irresponsible, rather than restrained, Soviet conduct.
- It would threaten stability by preventing reestablishment of the strategic balance, rather than strengthening that balance.

- It would cripple, rather than advance, our arms control initiatives.
- It would weaken, not strengthen, the Atlantic alliance upon which our own security so heavily depends.
- It would heighten the risk of war, rather than strengthen the peace.

I ask you to bear these concerns in mind in the course of your deliberations. We share with you the same objectives of preventing war and securing the peace and the same commitment to ef-

fective arms control as an essential means to that end. We believe that the President's program—the most comprehensive arms control program ever set out by any American administration—is the best way of fully achieving this objective.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

50 Years of U.S.-Soviet Dialogue

by Arthur A. Hartman

The following article was submitted to the Soviet newspaper Pravda in April 1983, which did not publish it. On April 11, the U.S. Embassy in Moscow released the text to U.S. and West European correspondents. Mr. Hartman is U.S. Ambassador to the Soviet Union.

This November the United States and the Soviet Union will pass a significant milestone—the 50th anniversary of the establishment of diplomatic relations between our two governments.

The anniversary will mean different things to different people. But if it stands for anything, it will stand for 50 years of dialogue. For half a century, my government and the Government of the Soviet Union have recognized the importance of communications between our two peoples.

In recent months, it has become clear to me that the Soviet Union—or at least certain of its more influential spokesmen—continues to appreciate the value of setting its view before the American people.

In the U.S. press and over our radio and television, a veritable period of some of the U.S.S.R.'s best known commentators, academics, and other spokesmen have done an admirable job of presenting Soviet positions on major bilateral and international issues.

We in the United States have long felt that a well-informed public is a precondition for effective democracy and a wise foreign policy. That Soviet representatives have such free access to the U.S. media is proof of the continuing vitality of America's commitment to the ideal of a free exchange of ideas.

In a genuine dialogue, of course, both sides are talking, not just one. With this in mind, I hope you will permit me, through the pages of your newspaper, to address some of the major issues facing our two countries and to provide an American point of view for your Soviet readers, just as our media have welcomed the exposition of a Soviet point of view to American audiences.

What do we Americans hear when we listen to Soviet spokesmen? Many things, many of them critical and on a range of issues too broad to address in one article. I will, therefore, focus on three major concerns we hear being voiced by the Soviet side.

First, that the United States not only has abandoned its commitment to peace but is actively preparing for war;

Second, that, to justify its military preparations, the United States is artificially exacerbating U.S.-Soviet tensions by raising extraneous issues; and

Third, that U.S. arms control proposals are not only not serious, but designed unilaterally to disarm the Soviet Union.

When we hear such views expressed, I confess it is hard to avoid the conclusions that those expressing them are not really listening to us. Let us look at the facts.

U.S. Commitment to Peace

First, as to our commitment to preserving the peace. As inconvenient as it may be to some, the historical record shows that the United States has been in the forefront of international efforts to reduce the risk of war for over 30 years.

As early as 1946, when the United States possessed not the fanciful military superiority we are today accused of seeking but an absolute monopoly on nuclear weapons and technology, we proposed in the Baruch Plan that all aspects of atomic development be placed under international auspices. The Soviet Union rejected that proposal, and a great opportunity to nip the nuclear arms race in the bud was lost.

But our approach has not changed in the intervening years. In Geneva and Vienna, the Reagan Administration has proposed a range of initiatives aimed at bringing to a halt senseless competition in nuclear weapons and sharply reducing the possibility of a conflict, nuclear or conventional.

History has taught us, however, that we cannot rely solely on negotiations to preserve the peace. We, like the Soviet Union, learned in 1941 that military weakness, or perceptions of it, can be the shortest path to war.

Thus, throughout the postwar period, we have taken the steps we believed necessary to deter any attacks on ourselves or our allies. The current modernization of our armed forces, which seems to trouble Soviet spokesmen so, is an outgrowth of that approach and, I might add, follows over a decade of U.S. restraint in deploying new weapons systems.

Our goal, as in the past, is deterrence. We do not, as President Reagan has made clear, seek military superiority over the Soviet Union or any other nation. But neither can we afford to be second best.

Human Rights and Regional Conflicts

Next, as to charges that the United States is artificially aggravating tensions with the Soviet Union. There is no question that bilateral tensions exist and in recent years have grown more serious. This is partially a function of the fact that the United States and U.S.S.R. are, and for the foreseeable future are likely to remain, international rivals.

This is not a choice we have made; it is largely a reflection of the diverse basic principles on which our two societies were founded. But it does have implications for how we interrelate to one another in the world.

For our part, we do not expect the U.S.S.R., in its approach to the United States, to compromise its principles or

U.S. Ambassador to the Soviet Union



Arthur A. Hartman was sworn in as U.S. Ambassador to the Soviet Union on October 14, 1981. He is a career Foreign Service officer holding the rank of Career Minister.

Ambassador Hartman was born on March 12, 1926, in New York City. He received his B.A. degree from Harvard (1947) and attended Harvard Law School during 1947-48. He served in the U.S. Army from 1944 to 1946.

Entering government service in 1948, he was assigned as economic officer at the

Economic Cooperation Administration (Marshall Plan) in Paris under its first chief, Ambassador David K.E. Bruce. In 1952 he was a member of the U.S. delegation to the European Army Conference in Paris, and in 1954 he joined the U.S. Mission to NATO in Paris, where he remained until 1956, when he was assigned to Saigon in a joint U.S. Embassy/AID mission function. From 1958 to 1961, Ambassador Hartman worked on European integration affairs in the Bureau of European Affairs. During 1961-63 he served as staff assistant and then special assistant to Under Secretary of State George Ball. In 1963 he was assigned to London where he was chief of the economic section, a position he held until 1967.

From 1967 to 1972, he served in the Department of State, first as special assistant to Under Secretary of State Nicholas Katzenbach and staff director of the Senior Interdepartmental Group (1967-69), and then as Deputy Director for Coordination, reporting to Under Secretary of State Elliott Richardson.

In 1972 Ambassador Hartman was appointed Deputy Chief of Mission and Minister-Counselor at the U.S. Mission to the European Communities in Brussels. From 1974 to 1977 he served as Assistant Secretary for European Affairs. He was sworn in as U.S. Ambassador to France on June 13, 1977, and served in Paris until his appointment to the U.S.S.R.

He received the Presidential Management Improvement Award in 1970 and the Distinguished Honor Award in 1972. ■

for unilateral disarmament of the Soviet Union may be an effective debater's technique, but it does not take one very far in getting at the roots of the problem.

President Reagan's proposals in Geneva, on the other hand, represent straightforward and sensible approaches designed to achieve two basic goals:

- To decrease the likelihood that either side will ever be tempted to use nuclear weapons first and
- To reduce the levels of nuclear arsenals.

We would do this in three ways.

First, we have proposed that both sides reduce the number of their nuclear warheads on ballistic missiles by one-third. The United States and the Soviet Union both have approximately 7,000 such warheads now (the Soviet Union

actually has several hundred more). Thus, the new ceiling would be 5,000 warheads. We concentrate on ballistic missiles because their rapid flight time makes them well suited for surprise attacks.

Second, we have proposed that no more than half of the 5,000 warheads remaining under our plan be placed on land-based intercontinental ballistic missiles (ICBMs). Again the rationale is to reduce the temptation for one side to strike first.

ICBMs, because of their fixed locations, are vulnerable to destruction in a surprise attack. Thus, the temptation to use them in the event of warning of an attack would be strong, and the risk of an accidental launch is increased. At the same time, their accuracy and heavy payloads make them ideal weapons for a first-strike. By reducing both sides'

interests. But neither do we expect or intend to compromise our own.

With respect to principles, one area where there should be no doubt as to our commitment is on the question of human rights.

We often hear that our human rights policy represents interference in Soviet internal affairs. We cannot accept such a characterization, which betrays gross ignorance of what motivates the United States as a people.

Because of the importance to us of the basic rights of man—on which our own Republic was founded in 1776—we naturally sympathize with and support those in the Soviet Union and elsewhere whose rights are being denied. We shall always do so.

But there is an equally fundamental—and perhaps more pragmatic—point at issue. When a country systematically denies its citizens their rights under international agreements to which it is a party, it raises in our minds serious questions as to that country's reliability as an international partner.

We ask only that the U.S.S.R. live up to its international obligations in the field of human rights.

The situation is similar with respect to our perception of interests. We are often told that we should not allow minor regional conflicts to interfere with bilateral efforts in such vital areas as arms control. Again, we cannot accept such an argument.

If modern history has taught us anything, it is that security encompasses the whole world situation.

When we see Soviet forces occupying Afghanistan to support a government which apparently cannot sustain itself, when we see Vietnamese playing a similar role in Kampuchea with Soviet backing, when we see Polish workers denied rights previously agreed to by their own government, when a large Asian democracy is threatened by the Soviet Union with nuclear retaliation for seeking to assure its own security, we cannot help but draw conclusions as to the implications of such actions for our own security and take appropriate actions in response.

It is only natural that we should seek to make such questions a part of the U.S.-Soviet dialogue.

Approach to Arms Control

Finally, as to the question of the sincerity of our approach to arms control. Portraying the U.S. approach as a scheme

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reliance on such systems, our proposal would significantly reduce the possibility of an outbreak of war.

Finally, we have proposed the elimination of an entire class of weapons—land-based intermediate-range ballistic missiles. At present, only the Soviet Union has such systems, the sole purpose of which, despite Soviet claims to the contrary, is to pose a nuclear threat to a whole series of nations along the Soviet Union's borders and beyond. Since many of these states are U.S. allies or friends, these systems create a serious threat of escalation to a strategic level.

The United States and its NATO allies have made clear their intention to redress the balance of such forces in Europe. If necessary, we are prepared to do so by deploying analogous forces of our own. But we would prefer, as we have made clear, that the problem be resolved by a bilateral agreement to

eliminate these systems from the face of the earth.

A Soviet commentator in an article published not too long ago in an American publication observed that, while he would like to be proved wrong, he saw little hope of doing business with the United States at this time. As I noted earlier, I cannot help but think that he has not been listening to what we are saying.

We are ready to respond quickly and favorably to positive moves by the Soviet Union. This does not mean, as is sometimes suggested, that we seek unilateral concessions. It does mean that we seek evidence that the Soviet Union is prepared to join with us in the search for just, mutually acceptable solutions to the problems before us.

Given that evidence, those inclined to conclude that there is no possibility for bilateral progress may be surprised how quickly they are proved wrong. ■

The Human Side of German-American Relations

by Arthur F. Burns

Address before the Overseas Club, Hamburg, Federal Republic of Germany, on March 14, 1983. Mr. Burns is U.S. Ambassador to the Federal Republic of Germany.

As the Ambassador of the United States in the Federal Republic of Germany, I have often spoken about the political, economic, and security relationships between our two countries. This evening I would like to address a more fundamental theme—the human relationship between your country and mine.

We are commemorating this year the 300th anniversary of the arrival in North America of the first permanent immigrants from Germany. The 13 Menonite and Quaker families who in 1683 settled in Germantown, now a part of the city of Philadelphia, came in search of freedom—the freedom to pursue their religious beliefs and the freedom to seek economic betterment for themselves and their children. They found both. I dare say that a great majority of the forebears of the approximately 68 million Americans who today claim German

ancestry came in search of these same objectives—personal freedom and economic opportunity.

Across the centuries, America has been identified with these basic human strivings. Our Declaration of Independence and our Constitution eloquently express these ideals, and they have served in all parts of the world as a beacon for people seeking a new life for themselves—a life that would enable them to speak or write freely, to worship God as they saw fit, and to pursue economic opportunities without being encumbered by rigid customs or authoritarian rule.

The human significance of the centuries-old stream of immigration to America—at first from Western Europe; later from eastern and southern Europe; still later from Latin America, Asia, and other parts of the world—can hardly be exaggerated. Americans may justly note with pride that their country has remained a land of hope and welcome for uprooted people—that it accepts even at present many more immigrants than does the rest of the world. Most of them still come in search of personal freedom and economic opportunity for themselves and their children.

The United States, in turn, has continued to benefit from the unceasing flow of immigrants to its shores. If they

caused social problems at times, they also ultimately enriched our industrial, political, and cultural life. My country could not have developed the way it did, nor become the society that it is today, without the moral courage and the intellectual and technical skills that were continually being brought to us from the Old World and particularly from your country.

The names of many of the German immigrants to America are well known on both sides of the Atlantic; and if I mention some tonight, they serve only as examples of those who have energized American life and culture. There is—as the first of these—Franz Daniel Pastorius, the founder of Germantown, a prophetic figure who projected a clear vision of the kind of country that the United States was to become. In advocating the separation of church and state, tolerance of religious and ethnic diversity, and the abolition of slavery, he was well ahead of his time. Another was William Rittenhouse, a minister and papermaker from Muehlheim on the Ruhr, whose great grandson, David Rittenhouse, served as the first director of the U.S. mint and achieved lasting fame as a mathematician, astronomer, and inventor. Thomas Jefferson was moved to say of him: "He has not, indeed, made a world, but he has intimately approached nearer its maker than any man who has lived." There was the printer, journalist, and publisher, Christopher Sauer, who was the first to print the Bible in a European language in America. A more famous immigrant was John Peter Zenger, who is still known in the United States as the "patron saint" of freedom of the press. And there was Hans Nikolaus Eisenhauer, an immigrant from Eiterbach, in what is now southern Hesse, who arrived in America in the middle of the 18th century, achieved neither wealth nor fame, but became the ancestor of Dwight David Eisenhower—the 34th President of the United States.

And, if I may continue, there were also the heroes of the Revolutionary War—Johann de Kalb and Friedrich Wilhelm von Steuben; the political thinkers and reformers—Friedrich Hecker, Carl Schurz, John Altgeld, and Robert Wagner; the bridge builder—John Augustus Roebling; the organ builder—Henry Steinway; the businessmen—John Jacob Astor and Levi Strauss; the artists—Emanuel Leutze and Albert Bierstadt; the political cartoonist—Thomas Nast; the musicians

and composers—Leopold Damrosch, Arnold Schoenberg, Bruno Walter, Kurt Weill; the linguist—Maximilian Berlitz; the banker and philanthropist—Paul Moritz Warburg; the theologian—Paul Tillich; the architects—Ludwig Mies van der Rohe and Walter Gropius; the scientist—Albert Einstein; the writers—Thomas Mann and Hannah Arendt; and—to round out this illustrative list—your friend and mine, Henry Kissinger. Where would America be, or for that matter where would the world be, without the momentous contributions of these German immigrants!

German-American Partnership

These people, their children, and their children's children—the 68 million Americans who claim German antecedents—forged the chain that linked our two societies. These links had nothing to do with political treaties, security arrangements, or trade agreements. Indeed, they survived severe strains in the political relationship between our countries—even two terrible wars. Perhaps the best example of the strength and durability of these human ties is the speed and commitment with which the people of my country devoted themselves to assisting the German people after World War II.

It was primarily the interaction between our two peoples that brought democracy and physical reconstruction to the Federal Republic and established the partnership between our two societies that exists today. To be sure, the Marshall plan was a critical instrument in rebuilding West Germany's shattered economy. The North Atlantic Treaty provided the essential guarantee of security against aggression. Other actions—such as the Berlin airlift—further showed the resolve of the United States to share in the protection of the young democracy that had risen from the ashes of World War II.

But the driving force of all these salutary political developments was the human network created by the millions of Americans of German descent, by the numerous German refugees who reached our shores in the 1930s, by the hundreds of thousands of German prisoners of war who lived for years in the United States, by the tens of thousands of Americans and Germans who cooperated in rebuilding the democratic society which the Federal Republic is today, and by the legion of Fulbright scholars and exchange students. It was their interaction that formed the foundation of the

partnership between our two countries—a partnership that has proved strong enough to withstand all sorts of temporary economic irritations and political differences.

These Americans and Germans, who lived and worked together, came to understand and appreciate one another. They knew or soon learned that they were bound together by shared values and convictions—by respect for human rights, by faith in democracy, by devotion to the rule of law. And they transmitted these insights to those of their countrymen who had no direct involvement with people of the other nation. But by the late 1960s and early 1970s this creative generation of Germans and Americans gradually moved out of positions of leadership and influence. The network of human relationships that had so closely linked our societies thus became looser. The generation taking their places had no similar formative experiences, and as a result it had a less personal commitment to the German-American relationship.

The Need To Strengthen Shared Values

In recent years the tight net of shared values between our two peoples has been sagging, in part, because we are now less intimately involved with each other. At the same time, other developments began to cloud the optimistic mood, especially of young people, in our countries. Among these was the diminished luster of the noble dream of a united Europe, the persisting hunger and despair in many of the less developed parts of the world, the Vietnam war in which the United States had unfortunately become entangled, the civil rights turmoil in my country, the enormous Soviet military buildup during the 1970s in the face of a proclaimed detente, the political adventures of the Soviets in Asia and Africa and their invasion of Afghanistan, the suppression of the newly achieved freedom of speech and assembly in Poland, the rampant inflation and rising unemployment in the Western world, and—not least important—the growing feeling in the Federal Republic that its *wirtschaftsWunder* had come to an end.

All these factors, while not directly involving the German-American relationship, have cast their shadow upon it. It is an inescapable fact that the relationship between our two peoples has become less close. The educational system,

which could have partially replaced the loss of direct personal experience between Germans and Americans, has failed us. The new generation has not been well served by the slight attention of our schools to the teaching of history, ethics, and the principles of our Western civilization.

Human understanding is always imperfect. That is man's lot on Earth. We know this from our daily lives. Parents do not always understand their children or children their parents. So it is also between husbands and wives, between employers and their workers, between landlords and tenants, between bankers and borrowers, between professors and students. But, if misunderstandings exist within our families, schools, and workshops, they have much greater opportunity to arise—and even flourish—among nations, since differences of history and language conspire with limited direct contacts between peoples to breed misunderstanding and at times, unfortunately even mistrust. Foreign service is no longer an entirely new career for me; I am now well into the second year of my ambassadorship to your country. But I must confess that I still continue to be astounded by the strange opinions that highly placed Europeans now and then express about the United States and, I should add, vice versa. Is there any wonder, then, why many of the young people in your country and mine have so little understanding of one another's society?

I have spent many hours with young people in your country, as I previously did in mine. I admire their intelligence, their idealism, their horror of armaments, and their sympathy for the downtrodden. But I am also appalled by the ignorance that so many of them exhibit of the history even of their own country, to say nothing about their ignorance of the United States. And I am especially troubled by their apparent lack of appreciation of what it means to live in a democracy.

It is a puzzling and saddening feature of our times that many of our young people, perhaps even more so in your country than mine, seem unable to differentiate between the moral and political order of the West and the oppressive totalitarianism of the Soviet bloc. After all, the values of Western democracies are not abstract or elusive concepts. The liberty of the individual to speak, write, worship, and assemble with others; the equality of all individuals under the law; the protection

of every citizen against arbitrary acts of government; the freedom to choose among economic, social, and cultural alternatives—these basic values of Western democracies are practical realities that every intelligent person should be able to grasp. They certainly are thoroughly understood and appreciated by those who live under communist rule and are not able to enjoy them.

The reason that many young people in Europe and America take basic Western values for granted must be that they have never been without them. They do not seem to realize that their right to demonstrate for a nuclear freeze, their freedom to press publicly for unilateral disarmament, their right to march against what they consider to be wrong American policies in Central America—that these privileges are theirs under a democratic system that they themselves must help protect against those who would take them away, as they have been taken away from both the young and old in Poland, Czechoslovakia, Hungary, Afghanistan, and many other places. Young people of average intelligence ought to be able to see the difference between the impulses animating America and those governing the Soviet Union. They ought to be able to recognize that the invited presence of American troops in Europe has the express purpose of helping to protect the

The reason that many young people in Europe and America take basic Western values for granted must be that they have never been without them.

values of our Western civilization, whereas the Soviet armies that have willfully occupied Eastern Europe for 35 years are there to ensure the suppression of the freedoms for which their citizens yearn to this day.

The reality and the attraction of our Western values, it appears to me, should be clear to anyone contemplating the lives of the unhappy people under Soviet

domination who, whenever possible, have taken to voting with their feet because they cannot vote any other way. There are millions of individuals who have escaped from East Germany, Poland, Vietnam, Kampuchea, Afghanistan, Cuba, and other communist countries. But is anyone aware of a flood—or even of a trickle—of refugees migrating to any of these countries?

The misguided views of young people—and even of some who are not so young—are often attributed to the persistence and power of Soviet propaganda. I hear this repeatedly from my business friends. That explanation, however, is an escape from realities. The Soviets, to be sure, use every opportunity to defame our Western societies and to disguise the truth about their own. But their ability to do so with success derives fundamentally from the fact that both parents and teachers in our countries have failed to impart to children a sufficiently sound moral and historical education, so that they can appreciate the democratic institutions that they have been fortunate enough to inherit.

To be sure, the democratic systems that prevail in Western Europe and in the United States have their shortcomings and abuses. But what is noteworthy about a democracy is its capacity for improvement and renewal. Open criticism, evolution of institutions, and orderly change in the laws governing society are inherent elements of the democratic system. The Soviet system, in contrast, stifles through terror and repression any attempt of its citizens to change it significantly.

The young people of Western Europe must realize that if they wish to preserve their liberties, if they wish to enjoy the basic rights of a democratic society, they must feel part of that system, and they, therefore, must be prepared—if it ever becomes necessary—even to fight for it. As parents, teachers, and politicians, we have the responsibility on both sides of the Atlantic to make sure that the democratic values that bind us in the North Atlantic alliance are understood and appreciated by those who follow in our footsteps.

How can we do that? I come from a background of teaching, and I naturally value the benefits of a good education. It is clear to me that we must do a far better job of educating our young people in ethics, history, languages, and political science. This requires, among other

things, that we be more alert as parents and teachers to the inadequacies of our formal educational apparatus, particularly the *Gymnasias* in your country and the high schools in mine. The textbooks used in both German and American schools are often obsolete, and for that reason alone tend to convey serious misinformation about our respective countries. Teachers of history and political science have a special obligation to be objective and up to date. They can be aided in fulfilling this responsibility by an educational system that encourages and rewards those teachers who diligently continue their own education.

I also have a background in international finance. It is for me a familiar territory of relative order and predictability. International politics and diplomacy, on the other hand, are a new discipline for me. I find it a universe inordinately filled with gossip, emotion, and even suspicion—a world in which perception of facts often obscures the facts themselves. This, I readily admit, is the situation in my country as it is in yours. And I recognize that an ambassador must do what he can to clear out this underbrush of emotion and faulty perception that at times disturbs the relationship between his government and the government to which he is accredited.

The achievement, however, of true understanding between any two governments depends fundamentally on the kind of relationship that exists between their peoples, rather than on foreign ministers or ambassadors. Governments in democratic countries are inevitably influenced by, and to a considerable degree they even echo, the thinking of their citizens. It is, therefore, highly important that improvements in our respective educational systems be supplemented by a vastly greater network of personal contacts between the peoples of our two countries. Bringing about better understanding of our respective institutions of work and play, of life in our homes and communities, and of the aspirations and fears of our peoples should be our mutual goal. I know of no other way of reestablishing the camaraderie and understanding that existed between Americans and Germans after World War II—a camaraderie that forged the partnership between our governments in furthering peace and protecting freedom.

A dramatic expansion is now needed of programs under which Americans can

study, teach, or work for some time in your country, while Germans become correspondingly involved in my country. To accomplish this, both our countries will have to devote larger resources—in manpower and in private and public financing—to human contacts and exchanges. I am told that the U.S. Government now spends about \$115 million per year on its human exchanges with other nations and that only a small part of that sum is devoted to West Germany. Private spending on exchange activities is much larger, but I am convinced that neither private nor public financing of this vital effort is nearly large enough. I would hope that 5 years from now the American ambassador will be able to report to you that the moneys devoted by his country to exchange programs with other nations, and particularly with the Federal Republic of Germany, have increased at least tenfold. That is how essential I consider these exchanges to the freedom, security, and prosperity of the Western world.

Educational Exchange Activities

Let me now turn more specically to the exchange activities between our two countries that I have in mind. At present, various academic exchanges under private auspices are being supplemented by an academic exchange program conducted jointly by the Governments of the United States and the Federal Republic. This program had its origin many years ago when an American of vision, Senator J. William Fulbright of Arkansas, became concerned about an intellectual gap and proceeded to deal with it by sponsoring an educational exchange program between the United States and other countries. Its purpose was cogently described by the Senator when he wrote some years later:

Perhaps the greatest power of educational exchange is the power to convert nations into peoples and to translate ideologies into human aspirations. I do not think educational exchange is certain to produce affection between peoples, nor indeed is that one of its essential purposes; it is quite enough if it contributes to the feeling of a common humanity, to an emotional awareness that other countries are populated not by doctrines that we fear but by individual people—people with the same capacity for pleasure and pain, for cruelty and kindness as the people we were brought up with in our own countries.

Since its inception, the Fulbright exchange program has enabled about 130,000 Americans and citizens of other

countries to study, teach, or do research abroad, and thereby improve understanding between and among peoples of different countries. The highly successful American-German educational exchange program is a good example. At the outset it was entirely financed by the United States, but in time the German Government became so convinced of its utility that it now contributes nearly three-fourths of the total annual cost. This enlightened program deserves increased support from my government as well, and I am pleased to report that this view is widely shared in Washington today.

There is also a vital need for a greatly expanded youth exchange program. Looking to the quality of the future leadership of our societies, it is obviously important to foster sensible dialogue among young people at an early

back in 1946. The parliaments of both our countries—your *Bundestag* and the American Congress—have lost no time in endorsing the principle of expanding youth exchanges, and both our governments are already involved in translating their parliamentary resolutions into practice. For instance, a plan is being developed under which every Member of the *Bundestag* and every Member of the American Congress will have the opportunity to nominate a teenager from his or her electoral district to spend a school year in the partner country. This project, incidentally, would encourage our elected political leaders to become personally involved in exchange activities, and it would thus establish procedures that should benefit our two democracies in the next generation. Not only that, it has been observed time and again that exchange youngsters reinforce the bonds

The misguided views of young people—and even of some who are not so young—are often attributed to the persistence and power of Soviet propaganda . . . the Soviets . . . use every opportunity to defame our Western societies and to disguise the truth about their own.

state of their intellectual development. Attitudes in both our societies are often formed before youngsters reach the university level or embark on working careers. In view of that, it would be especially useful to provide larger opportunities for teenagers—say, those between 16 and 19—to spend some time in the partner country. I am thinking of stays that would be of sufficient duration to enable youngsters to go to school, live in a private home, and participate in the community life of the other land. A young person who has spent a school year or so in the partner country will have a real opportunity to learn to understand its society. That experience and knowledge will stay with him or her over a lifetime. I would hardly expect all young persons to become enamored of their partner country, but their doubts or criticisms will at least have been disciplined by some firsthand knowledge.

President Reagan recently announced an international youth initiative that focuses on this particular need with the vision and commitment that characterized Senator Fulbright's proposal

of friendship they had formed with their host families through their own parents, other relatives, and fellow students. We need precisely such a matrix of human contacts to rebuild the warm spirit of partnership that existed between our two peoples during the late 1940s and 1950s.

Still another exchange activity that can yield rich dividends of understanding would involve young Germans and Americans who have already embarked on their life's work in business or farming, as journalists or churchmen, as teachers or government officials or trade unionists. They, too, will eventually have a role, perhaps even a major role of leadership, in our respective societies; and some of them should have the opportunity to improve their perspective on life by working for a time in another country. In response to a wise suggestion by the German Government, I am glad to report that we in the United States have begun to explore ways of cooperating with your country by including working youth in the enlarged

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exchange activity between our peoples that is now being designed—an activity that should involve our homes, schools, universities, churches, trades, and professions. It is only by strengthening the human relationships between our peoples that we can sustain our shared values.

Conclusion

In concluding this discourse, allow me now to summarize my message to you. Effective political, economic, and security interaction between the United States and the Federal Republic of Germany rests on a foundation of human relationships between the people of your country and mine. Our citizens share a set of values that center on personal liberty, freedom of choice, and the rule of law—values that they have developed over a period of three centuries. These

values must be understood and accepted by our citizenry if our political, economic, and security ties are to be preserved. In order to understand and appreciate these values, our citizens must understand each other and each other's societies. To accomplish this we need to improve our schools and increase exchanges among our young people. Our two countries are fully capable of providing the resources to increase youth exchanges manifold, thereby avoiding doing too little too late. We owe this to ourselves, and we owe this to those who will follow in our footsteps.

President Reagan recently remarked that the best way—in fact, the only way—to international peace “is through understanding among nations and peoples.” I daresay that much the same is true of the preservation of our Western civilization. ■

and of fair trade relations between the United States and Europe, of compromises instead of harming each other—the need, also, of monetary and budgetary policies which lower interest rates.

As NATO allies, we discussed also security problems; the important and adequate contribution of the Dutch to a defense posture sufficient to discourage aggression. Of course, we discussed also INF. Preparations for the deployment of these weapons as a political and a military answer to the Soviet threat—the SS-20s threat—are underway as scheduled. The Soviets have to understand that the Geneva talks have to become now Geneva negotiations. President Reagan stated to me a deep, personal commitment to achieving an arms reduction agreement. In that endeavor, the alliance is united.

And then we discussed also our responsibilities in connection with Third World countries, the strengthening, especially of international institutions.

Respect for every individual wherever she or he lives—responsibility and freedom, freedom and responsibility—that's our common ground.

¹Text from Weekly Compilation of Presidential Documents of Mar. 21, 1983. ■

Visit of Dutch Prime Minister

Prime Minister Rudolphus Lubbers of the Kingdom of the Netherlands made an official working visit to Washington, D.C., March 14-16, 1983, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and Prime Minister Lubbers after their meeting on March 15.¹

President Reagan

It's been a pleasure for me to meet and confer with Prime Minister Lubbers. This is his first visit to this country since becoming Prime Minister, head of the Dutch Government, and we've used the opportunity to discuss a wide range of issues.

One of the subjects discussed was, as you could well imagine, INF—the intermediate nuclear force discussions. We agreed that Western unity behind modernizing NATO's defensive capabilities and serious arms negotiations are essential to maintaining peace and security. Throughout the discussions this morning in the Oval Office and during a working lunch, it was evident the

Netherlands and the United States continue to share a common outlook and a unity of purpose.

As the Dutch-American bicentennial reminded us last year, our bonds are tied by 200 years of friendship. We believe in the Atlantic partnership, which has not only kept peace for 30 years or more but which has also improved the quality of life on both sides of the Atlantic. I have no doubt that we in America and the Netherlands, cemented by shared values and common interests, will continue to work closely together, seeking a world that is free from war, in which liberty and freedom of choice are respected.

Mr. Prime Minister, it's been a great pleasure to welcome you here, you and your associates.

Prime Minister Lubbers

It was a real pleasure for me to talk with President Reagan as allies in the Atlantic partnership. How different in scale our countries are. We share a common task—prosperity and freedom for our people, respect for the individual, and responsibility among nations.

We discussed the road to economic recovery, the importance of free trade



(White House photo by Jack Kightlinger)

Visit of West German Chancellor Kohl

Chancellor Helmut Kohl of West Germany made an official visit to Washington, D.C., April 14-15, 1983, to meet with President Reagan. Following are remarks made by President Reagan and Chancellor Kohl after their meeting on April 15.¹

President Reagan

It was my pleasure today to host a luncheon and extensive meetings with Chancellor Kohl and other representatives of his government. Our discussions touched on a number of bilateral issues, as well as those general problems confronting our two powerful democratic nations.

As befits one who has just won an impressive election victory, Chancellor Kohl was very positive about the opportunities ahead. I share his optimism and look forward to continuing our close relationship.

The Chancellor and I have many things in common, not the least of which is a deep faith in the strength of Western values. We were able to approach our discussions with a shared appreciation for these values and with an understanding of the many traditions and common interests that link our two countries. The special ties between the German and American people will be expressed this year in the celebration of the tricentennial of German emigration to North America. And I'm especially pleased that President [Karl] Carstens will be making this event—or marking it, I should say, with a state visit to our country in the fall.

During our discussion today we focused on issues likely to emerge during the Williamsburg summit. And the Chancellor and I agree that we should seek a free and open exchange of views at Williamsburg, with our primary goal being the closest possible cooperation in tackling the problems facing the world economy. Both of us welcome the signs of economic upturn in our countries and will work to assure that recovery is strong and lasting.

We agree that it is vital that we vigorously seek a resolution of the trade problems between the United States and Europe and that protectionism be avoided. And we're happy with the steps we've made toward a common understanding concerning East-West economic relations.

Another subject of discussion today was the arms reduction negotiations between the United States and the Soviet Union. I reiterated the United States' determination to achieve success in the START [strategic arms reduction talks] and INF [intermediate-range nuclear forces] talks in Geneva, and the Chancellor confirmed his strong endorsement of our negotiating strategy.

As leaders of our respective countries, we call on the Soviet Union to respond seriously to our proposals, proposals which, if given a chance, will strengthen peace and make all mankind a little safer.

We remain united in our commitment to continue on both tracks of the NATO decision of December 12th, 1979, including deployment of new weapons if continued Soviet intransigence makes this unavoidable. I'm pleased, again, to have with us Chancellor Kohl.

Chancellor Kohl

First of all, I'd like to thank you for your invitation and the kindness and hospitality extended to us.

Our talk, in which Foreign Minister [Hans-Dietrich] Genscher and our closest advisers participated, gave the President and myself an opportunity to continue our intensive and friendly dialogue which we began when I became Chancellor of the Federal Republic of Germany last October. And I would like to take this opportunity once again, here in public, to express the gratitude for the very intensive and friendly consultations that have taken place since that time between our two governments.

We had a good, cordial, and open conversation among friends, about which I am highly pleased. This exchange has shown that beyond our personal understanding, German-American partnership rests on the broad basis of shared values and interests.

We discussed, in depth and in great earnest, the essential aspects of our joint peace and disarmament policy. In the course of this year, important issues are pending. We are profoundly interested in finding solutions to the issues at hand, if possible, in agreement with the East. And this includes the Geneva negotiations on U.S. and Soviet intermediate-range missiles. We are agreed that the recent Western proposal offers the basis for flexible and dynamic

negotiations. Given goodwill on both sides, it will be possible soon to achieve a balanced result. It is our belief that we have not heard yet the last word from the Soviet Union.

We discussed in detail the CSCE followup meeting in Madrid. We continue to strive for an early and substantial result, which would include an agreement on a conference on disarmament in Europe and make important gains in the area of human rights.

We also discussed the Vienna negotiations about mutual and balanced force reductions. We had extensive discussions about the whole field of East-West relations. And we are agreed that personal contacts with the leaders of the Soviet Union continue to be important.

We want to carry on our common efforts to arrive at constructive relations between East and West through dialogue and cooperation wherever the Soviet Union makes this possible. We agreed on the need for continued efforts toward a common approach on East-West economic relations.

Another important subject we discussed was the preparation of the economic summit meeting to be held in Williamsburg at the end of May. In this context, we exchanged views about the economic developments in our two countries and about measures to promote economic recovery.

The summit meeting will provide us with an opportunity to intensify the emerging recovery of the international economy through close coordination. In this way we will be able, immediately prior to the continuation of the North-South dialogue of the UNCTAD [UN Conference on Trade and Development] Conference in Belgrade, to make a contribution toward solving the economic and social problems of the developing countries. Thus, we want to promote genuine independence and genuine nonalignment.

I came to Washington also in my capacity as President in the Office of the European Community. The President and I are agreed that the European Community and the United States together bear a great share of responsibility for the international economy. We are aware that the future development of relations between the United States and the European Community must, and will, live up to this responsibility.

I am leaving Washington firmly con-

vinced that the quality of our relations will also include—should determine—our policy of safeguarding peace and, in particular, our common efforts to achieve progress in the Geneva negotiations. I am leaving Washington with a certain feeling that I have been a guest among friends.

¹Text from Weekly Compilation of Presidential Documents of Apr. 18, 1983. ■

13th Report on Cyprus

MESSAGE TO THE CONGRESS, APR. 6, 1983

In accordance with Public Law 95-384, I am submitting the following report on progress made during the past sixty days toward reaching a negotiated settlement in Cyprus.

There was little progress in the intercommunal negotiations between the Greek Cypriots and the Turkish Cypriots during the period. The talks were delayed due to the presidential elections held by the Government of Cyprus in February. In those elections President Kyprianou was returned to office for a second five-year term.

Following the elections the Special Representative of the UN Secretary General, Ambassador Hugo Gobbi, reconvened the talks on March 8. That meeting was described as cordial by the participants.

Following these discussions there was an additional recess for the meeting of the Nonaligned Movement in New Delhi. The UN General Assembly is likely to take up the Cyprus problem in late April or early May. After that meeting the talks can proceed to address the substantive issues separating the two communities.

President Kyprianou and Turkish leader Denktash remain supportive of the intercommunal talks as the best vehicle for progress toward eventual solution of the Cyprus problem. Ambassador Gobbi is positive about the Secretary General's good offices role in the talks and will attempt to move the discussions forward as soon as possible.

Our Embassy in Nicosia as well as our officers in the State Department remain in close contact with both parties to the intercommunal talks and continue to urge efforts for progress. Visits to the island by our diplomatic officers and by Congressmen emphasize the interest residing both in this Administration and in the Congress in seeing a fair and lasting settlement to the problem.

Sincerely,

RONALD REAGAN

¹Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Charles H. Percy, chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of Apr. 11, 1983). ■

Economics and Security: The Case of East-West Relations

by W. Allen Wallis

Address before the U.S.-German Industrialists' Group, New York, on March 7, 1983. Mr. Wallis is Under Secretary for Economic Affairs.

In the 6 months since I took the oath of my present office, one of the real pleasures has been coming to know and to work with members of the German Government. You have some very able and very fine people serving you. I must admit that I am biased by the fact that we tend to think alike. By that, I do not mean that we always agree. I mean that our disagreements lead to constructive and friendly discussions that shed light, not heat, and result at least in understanding one another and usually in a reduction of the degree of disagreement. So, as I say, I am genuinely pleased to be with you.

I want to talk with you about a subject which goes to the heart of relations between the United States and Germany, indeed, the heart of relations between the United States and Europe. I want to talk about the West's commercial and financial relations with the Soviet Union and Eastern Europe. This is an area where there is agreement between us on basic principles but not on applications of those principles.

There are two distinct points of view on East-West trade. The first, I will call the "trade" viewpoint. It emphasizes the lucrative market in the East for Western goods. Most goods that the Soviets want to buy are available from a number of sources, are not sensitive, and are not "high technology" items with military applications. Those who hold this view favor almost unrestricted trade with the East.

The second viewpoint, which I will call the "security," stresses the fact that the Soviets seek to use Western goods and technology to further their military, strategic, and economic goals to the detriment of Western interests. This view emphasizes that the Soviet economy and its political-military apparatus are an integrated whole. In the

most extreme form, it argues that any Soviet economic gains can readily be transformed into strategic benefits. The group that takes this position naturally favors severe limits on East-West trade.

I have described these two viewpoints in extreme terms. Scarcely anyone holds either view as starkly as I have expressed it. The question for Western policymakers, both American and European, is where to go between these two extremes. No one wants a total cessation of trade; no one advocates selling advanced military hardware to the U.S.S.R. My impression is that Europeans have generally been closer to the first, or "trade," viewpoint, whereas Americans, especially in this Administration, are closer to the "security" view.

President Reagan made his concerns on these issues clear at the Ottawa economic summit in 1981. He urged that the alliance take a hard look at the policies which had governed economic relations with the Soviet Union since the late 1960s. He asked whether the expected moderation of Soviet behavior had occurred. He encouraged his colleagues to study the problems of vulnerability to interruptions by the Soviets of supplies on which the West might become dependent. After discussing the issue, the leaders at Ottawa adopted a historic statement on this question: "We . . . reviewed the significance of East-West economic relations for our political and security interests," the leaders said at Ottawa. "We recognized that there is a complex balance of political and economic interests and risks in these relations. We concluded that consultations and, where appropriate, coordination are necessary to ensure that, in the field of East-West relations, our economic policies continue to be compatible with our political and security objectives."

In response to similar concerns, the alliance leaders made the following statement at the Versailles summit the following year:

We agree to pursue a prudent and diversified economic approach to the U.S.S.R. and Eastern Europe, consistent with our political and security interests. This includes actions in three key areas. First, . . . our representatives will work together to improve the international system for controlling exports of

strategic goods to these countries and national arrangements for the enforcement of security controls. Second, we will exchange information in the OECD on all aspects of our economic, commercial and financial relations with the Soviet Union and Eastern Europe. Third, taking into account existing economic and financial considerations, we have agreed to handle cautiously financial relations with the U.S.S.R. and other Eastern European countries in such a way as to ensure that they are conducted on a sound economic basis, including also the need for commercial prudence in limiting export credits. The development of economic and financial relations will be subject to periodic ex-post review.

Where We Stand

The Reagan Administration supports trade between the West and the communist nations—as between any nations—where that trade is conducted at prevailing market prices and terms, where there is a mutual balance of advantages, and where the specific transaction—or category of transactions—does not contribute directly to the strategic advantage of the Soviets. Western consumers and producers, both agricultural and industrial, can benefit from such trade. The President stated last November 13 that we favor mutually beneficial trade and that it is not our policy to engage in economic warfare with the Soviet bloc.

At the same time, it is clear that the Administration has profound concerns about the security implications of East-West trade as we have seen it develop over the last decade. Let me try to explain our concerns.

- The Soviets have used their trade with the West to improve productivity and avoid bottlenecks in their stagnant economy. A major reason for their poor economic performance and their consequent need for Western equipment is their diversion of resources to a huge military buildup—equivalent to about 14% of their gross national product. This level of armament is far beyond any level that might reasonably be needed for defensive purposes. It can only be viewed as an ominous threat to the rest of the world, especially the free societies and democratic governments. It imposes huge costs on the Western countries to protect themselves.

- In a few instances, the Soviets have even used Western manufacturing equipment to produce military goods. The Kama River plant built by Americans made trucks that now are in

Afghanistan with Soviet troops. The Bryant ball-bearing grinders have improved the accuracy of Soviet missiles beyond what they could have attained with other grinders. By acquiring Western technology the Soviets have been able to produce greater quantities of weapons than would have been possible with their own technology.

- Soviet purchases of high technology equipment for extracting and transmitting energy will increase their production and exports of oil and gas in the late 1980s and 1990s. This has two unfortunate consequences.

First, it involves increased risk to Western consumers that the Soviets could interrupt supply as a political instrument. Even if overall energy dependence on the Soviets seems not to be excessive, specific regions or industries may be quite vulnerable since the immediate availability of reserve stocks or substitute fuels is small.

Second, it provides significant additional Soviet hard currency earnings to the Soviet Union, thus contributing to their ability to engage in expensive overseas adventures. As a result, we tend to view Western sales to the Soviets of energy-related equipment—equipment that for the most part they cannot produce for themselves—as seriously detrimental to Western security.

As a consequence of these and similar concerns, President Reagan has laid down a number of principles to govern our trade with the East.

- We will not provide subsidies or preferential treatment to the Soviets beyond that which we would provide to any nation on an ordinary commercial basis. We believe that we should not subsidize Soviet pursuit of goals that are inimical to Western interests.

- We will not sell any equipment or information to the Soviets that they can divert to military uses, or that they can use to support military uses. If we did provide such goods, we would be trading away, at one stroke, the West's most important strategic advantage—its superior technology and productive efficiency.

- As I stated earlier, we do not believe it is wise to provide the Soviets

with technologically advanced oil and gas extraction equipment, the use of which would increase their foreign exchange resources and allow them to expand their overseas adventures.

- We will, however, continue to sell the Soviets goods that cannot be used for military or strategic purposes; such sales reduce the foreign exchange that they have available for other uses.

- We will endeavor to avoid, and we will urge our friends to avoid, situations where we are overly dependent on the Soviets to supply a critical resource.

Action in the Alliance

Western security is not uniquely a U.S. concern. It must rally the entire alliance. While there has long been a consensus that the West should avoid transferring equipment of direct military relevance, only recently have Europeans begun to think about East-West economic relations in a broad strategic context. As you no doubt know, the seven summit countries are currently engaged in a major effort to convert the agreements at Ottawa and Versailles—which I quoted a moment ago—into concrete policies. These efforts, which took on new life on November 13 when the pipeline sanctions were lifted, include:

- A study within NATO that will highlight the security implications of East-West trade and develop a stronger overall rationale for distinguishing between trade which the Soviets might exploit to the detriment of our security and trade that has no significant strategic implications.

- An effort within the OECD to monitor more closely the magnitude of East-West credit and trade and to identify major imbalances resulting from trade between market and nonmarket economies. Also in the OECD, we are working within the Arrangement on Export Credits to bring export credit practices closer to market terms for trade among all developed countries, including the U.S.S.R.

- In conjunction with the OECD, the International Energy Agency will study Western requirements for energy, and attempt to identify major vulnerabilities in Western supplies of energy and means of reducing these vulnerabilities.

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- In COCOM—the informal group that oversees strategic trade controls—we want to enhance Western security by initiating multilateral controls on other high technology equipment, including oil and gas equipment not now under control. At the same time, we are joining with our COCOM allies to harmonize and strengthen the mechanisms that we use to enforce COCOM controls, as was agreed in January 1982.

We recognize that we all have important trading relations with the East and that those are perhaps more deeply established in Europe than in the United States. We also understand the particular geopolitical circumstances involved in much of this trade. We believe, however, that the joint studies now going on will produce a strong rationale for assuring that such trade is at least as much to our advantage as to the Soviets'.

We are not looking for a formal treaty. The first phase of the process now underway will provide the information necessary for each participating nation, acting on the basis of its own national judgments and decisions, to weigh the security implications of trade and draw the conclusions it considers appropriate.

Allow me to recall for a moment a painful period in U.S.-European relations that is relevant to the issue at

hand. In December 1981, President Reagan reacted to Soviet adventurism in Poland. Among other actions, he restricted exports of certain U.S.-made equipment for the production and transmission of oil and gas. In June, he widened the restrictions to foreign subsidiaries and licensees. European suppliers of equipment for the Yamal pipeline were caught up in those restrictions. U.S. companies also were seriously affected and lost substantial business.

We do not want—we did not want in June 1982 and do not want now—the friction, tension, and bickering associated with those export restrictions. But we do want a consensus within the alliance that economic relations must "be compatible with our political and security interests." The President lifted the export controls because he believed that such a consensus had been hammered out and that it would lead to concrete policy actions. The efforts in NATO, OECD, COCOM, and in national capitals must, in our view, head in that direction.

Conclusion

To conclude, I want to cite a few statistics.

- The United States spent \$183 billion (outlays) on defense in FY 1982 (6.6% of gross domestic product—GDP); we are spending nearly \$1.4 trillion over the next 5 years (FY 1983–87).

- We estimate that Germany spent about \$23.1 billion on defense in 1982 or about 3.4% of its GDP.¹

- We estimate that Japan spent about \$11 billion on defense in 1982 or about 0.9% of its GDP.¹

This money is not being spent to defend ourselves from each other or, as Herb Stein has pointed out, from the Sioux Indians. It is being spent because we see what the Soviet Union is spending, what it is building, and what it is doing, at home and around the world.

Our question is: To what extent are our economic relations with the Soviet Union forcing us to spend even more on defense? The results are not all in, but we are going to urge a careful evaluation when they are.

¹ German and Japanese data are estimated 1982 expenditures computed using 1981 prices and exchange rates. Aggregate 1982 overall NATO dollar expenditures are not available but percent of GDP is about 4.9%. ■

Country Reports on Human Rights Practices for 1982

Following is the introduction from Country Reports on Human Rights Practices for 1982, which was prepared by the Department of State and submitted to the House Foreign Affairs Committee and the Senate Foreign Relations Committee in February 1983.

This report is submitted to the Congress by the Department of State in compliance with Section 116(d)(1) and 502(B)(b) of the Foreign Assistance Act 1961, as amended.¹

The report draws on information furnished by United States Missions abroad, Congressional studies, non-governmental organizations, and human rights bodies of international organizations. Conditions in most countries are described up to the end of 1982; for a few countries, significant developments occurring during the first weeks of 1983 also are included. A list of twelve international human rights covenants and agreements is included as an Appendix to this report, along with a listing of the parties to those agreements. Human rights can be grouped into two broad categories:

- first, the right to be free from governmental violations of the integrity of the person—violations such as killings, torture, cruel, inhuman, or degrading treatment or punishment; arbitrary arrest or imprisonment; denial of fair public trial; and invasion of the home;
- second, the right to enjoy civil and political liberties, including freedom of speech, press, religion, and assembly; the right of citizens to participate in governing themselves; the right to travel freely within and outside one's own country; the right to be free from discrimination based on race or sex.

The organization of the report follows these two basic categories. After an introduction, the description of conditions in each country is divided into two sections which correspond to these two categories of rights. A third section describes the government's attitude toward outside investigations of internal human rights conditions, while a fourth section discusses general economic and social conditions in the country.² Each report is then followed by statistical tables, where relevant, listing the amounts of

United States bilateral assistance and multilateral development assistance for fiscal years 1980, 1981 and 1982.

The country reports are generally based upon the guidelines and format used in preparing earlier reports. Some new questions were asked this year, and some old questions asked in new ways, in order to fulfill more adequately the task mandated by Congress. The changes which have been made include the addition, in Section 1, of a new, separate, and specific category covering killings, and a sharper focus, in Section 2, on civil and political liberties. Killing for political motives, whether by governments or oppositionist political organizations, is obviously the most serious human rights violation, and deserves particular attention. In the past, political killings usually appeared in the sections on Cruel Treatment and Disappearances.

Political participation is not only an important right in itself, but also the best guarantee that other rights will be observed. This year's report therefore attempts to treat political participation in a fuller and more precise fashion than earlier years' reports. Political participation means the traditional right of citizens to choose the officials and make the laws that will govern them. It does not mean the passive membership of people in organizations or processes managed from above by a government the people did not choose. Accordingly, an effort has been made this year to be more precise about the real meanings of "elections" and "parliaments"—to say, for example, whether there was any choice in elections. Political participation in the true sense can exist only in a democracy, although there are cases where countries are partially democratic. It is thus difficult to get a clear impression of political rights from listing various limitations of the right to self-government. What one needs to know is "who rules?"—the people at large, a small group, a single leader? This year's reports have tried to move toward answering this question, within the constraints of available information.

Greater emphasis has also been placed in the 1982 country reports on the right of labor unions to organize. This right is extremely important not only as a function of the right to freedom of assembly and association, but

also within the context of participation in the political system.

Finally, it is important for the comprehensiveness of these reports that they include significant violations not only by the government but also by opposition or insurgent groups, including terrorists. An attempt has been made to portray the wider context of the human rights situation, including threats from hostile powers or guerrilla insurgencies. Such pressures on a government or society do not excuse human rights violations, but an awareness of them is vital to a full understanding of the human rights situation.

The Problems of Human Rights

The moral principles we call human rights incorporate maxims of justice of every epoch and every culture. The specific concern for human rights as we understand them, however, has not existed throughout human history. It originated as a set of demands in seventeenth-century England, and was first embodied in political institutions in the United States, after 1776. Older moral codes and philosophies laid primary emphasis not on rights, but duties. These codes characteristically took the form of a series of prohibitions, rather than a list of freedoms—such as freedom of religion and freedom of assembly—which the individual was justified in demanding from government.

The original understanding of the meaning of human rights was clearly expressed in the American Declaration of Independence. The Declaration asserted that human rights could not be created or abrogated by any human enactment, whether of one government or of an international body, because they were based on "the laws of nature and of nature's God," on truths which are "self-evident." Thus it was confidently stated that "all men are created equal, that they are endowed by their creator with certain inalienable rights."

When the authors of the Declaration called these rights "inalienable," they implied that rights should not depend upon the prior performance of certain duties by the citizen or be postponed until any other group of "rights" was achieved. The original enumeration of human rights in the Declaration of Independence thus did not include anything that could only be gained gradually, such as economic development.

The rights the Declaration asserted covered only part of justice as it was understood in earlier moral codes, and supplied only some of the goods men

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normally desired. As examples of inalienable rights, the Declaration gave "life, liberty, and the pursuit of happiness." Rights were considered to enable individuals to pursue happiness freely, but not to supply happiness itself. The human rights activists of the eighteenth century would thus have said there was a right of individuals to develop, but no right to development. For a government to insist it could define and supply happiness itself would take away men's right to liberty.

The intentions of the originators of human rights, then, seems to have been to select from the vast range of things that men need or want, certain crucial things that they are entitled to by their very nature—human rights—which, when fulfilled, will create the preconditions for the satisfaction of other needs. These preconditions are created, in this understanding, by a political system of choosing the laws and the officials that govern men, and by an economic system that enables individuals to engage freely in various approaches to the "pursuit of happiness." A democratic system was understood as the likeliest source of the other rights, and the Declaration of Independence asserts:

That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

The original demand for human rights seems utopian in the face of conditions experienced by many nations today. But when this demand arose—in a world where there was not even one state under wholly-democratic government, and the few republics existing did not recognize the principles of inalienable rights—it appeared infinitely more visionary and unrealistic.

Yet the human rights movement in world politics proved to be unbelievably successful after 1776. It is to this historical movement that democratic countries owe their possession of rights, and because of it that other peoples express their yearnings for justice as a demand for rights. It created the contemporary situation, in which nearly every regime, no matter how narrowly based or despotic, refers to the people as the source of its legitimacy and has a constitution that provides for a representative assembly and for elections, no matter how meaningless.

Unfortunately, the widespread longing for rights in the contemporary world confronts a real lack of consensus on

these rights. Many governments fear individual liberty; many others do not accept the original and distinctive intellectual foundations of the belief in human rights. Those opposing the human rights movement find themselves in a world already shaped by it, and they are compelled to fight on its ground, using the terminology of democracy. Thus there arise the many "peoples' democracies" of today that are not democratic in any normal sense. In 1776 those who practiced slavery or absolute monarchy admitted it openly; now they draw around themselves the names of freedom. A nominal consensus on human rights thus hides the reservations of leaders who remain more comfortable with the ancient priority of duties over rights, and of rulers who simply find it inconvenient or threatening to respect their subjects' rights. For such people there is a great temptation to legitimize their own interests by broadening the basic concept of rights to include these interests—thus allowing some to claim, for example, that duty to authority is a special kind of right and others to claim that certain theoretically desirable rights cannot be afforded at their country's stage of development.

This leads to increasing uncertainty as to what desirable things really are rights. This uncertainty has been encouraged by some new interpretations of social and economic rights, such as the newly minted concept of the "right to development." The urgency and moral seriousness of the need to eliminate starvation and poverty from the world are unquestionable, and continue to motivate large American foreign aid efforts. However, the idea of economic and social rights is easily abused by repressive governments which claim that they promote human rights even though they deny their citizens the basic rights to the integrity of the person, as well as civil and political rights. This justification for repression has in fact been extensively used. No category of rights should be allowed to become an excuse for the denial of other rights. For this reason, the term economic and social rights is not used in this year's reports.

There exists, however, a profound and necessary connection between human rights and economic development. The engine of economic growth is personal liberty. Societies which protect civil and political rights are far more

likely to experience economic development than societies which do not. Conversely, programs which seek to eradicate poverty provide a crucial foundation for democratic political institutions. For these reasons, a section on Economic and Social Circumstances has been included in the reports.

Human Rights in International Relations

How to embody the fundamental principles of democratic societies—human rights—in foreign policy has become an especially pressing question for the United States. Because Americans are of many faiths and ethnic heritages, the national identity of the United States is more constituted by its political principles than is that of any other powerful nation. The United States fought its bloodiest war not for territory but to free the slaves. In fact the United States, protected from the harsh necessities of foreign policy by two great oceans only entered world politics in a serious way when impelled to do so by its sense that freedom was threatened. The three times when the United States recommitted itself to active involvement with the outside world—whether in wars for the liberty of Europe or the in Marshall Plan—it has done so because it felt called to the defense of human rights.

The attempt to make foreign policy serve human rights confronts several specific problems that must be faced in developing a policy.

A continuing problem for human rights policy is the fact that it traditionally aims at affecting the domestic behavior of other countries, while governments are reluctant to alter their nation's political system for foreign policy reasons. The leverage that the United States does have is strongest in friendly countries, where we have more access and more influence. Such influence is an important resource in pursuing human rights, but its concentration in friendly countries creates a danger: human rights policy might highlight and punish human rights violations in friendly countries, while giving unfriendly countries immunity. If this took place it would blind men to the complex geography of human rights abuses in the world. Moreover, a nation that came to display a general pattern of undermining or estranging friendly governments would obviously limit its future influence over them, including its influence over their human rights behavior. This is a second problem of human rights—the

need to avoid pressing only where our influence is greatest rather than where the abuses are greatest.

There is a danger that human rights policy will become like the labor of Sisyphus because it deals only with effects and not with their causes. To take an example, it is important not only to free political prisoners, but also to encourage conditions in which new political prisoners are not taken. Many, although not all, of the things we consider rights are difficult to implant in adverse conditions. This fact creates the danger that by aiming at too much we will not get what is really possible. The founders of the Weimar Republic, by aiming at a democracy stripped of all the authoritarian features of imperial Germany, created a system so fragile that it was overwhelmed by something wholly barbaric in only fourteen years. On the other hand, there still exist in many areas of the world indigenous traditions of decency that coincide in part with the human rights tradition. The best hope for creating the preconditions of effective human rights observance may sometimes lie in working on the basis of these traditions.

For all these reasons, a human rights policy, unless it is very carefully constructed, runs the danger of being ineffective. And if it is ineffective it can also be counterproductive, creating additional resistance to improvement in human rights. It can embitter bilateral relations with other countries, increasing international tension.

Efforts for human rights in the years before 1914 had the advantage that all of the major powers respected, at least in principle, the same conception of human rights. If their practice often failed to live up to their principles, there was a perceived legitimacy to the principles that caused each of these countries to develop in the direction of greater equality before the law and more and more scrupulous adherence to human rights. Because of the fundamental consensus on human rights issues, the great powers that diverged most in practice from the international consensus, such as imperial Russia, did not try to export an alternative ideology.

The fundamental consensus on human rights was broken after World War I by the successive emergence—in Russia, Italy, and Germany—of totalitarian regimes among the major powers. These political systems were visibly founded in opposition to the way of life of the increasingly democratic Western

world. They rejected in principle the ideas upon which were based the great movement for human rights after the American and French revolutions.

The world after 1945 has been characterized by competition between two nations that embody principles—the United States and the Soviet Union. The United States is the nation that has most vigorously undertaken the effort to make human rights a specific part of its foreign policy. The Soviet Union, on the other hand, is ruled by a very small elite through a massive bureaucratic and policy apparatus. Its regime inherits in a modified form the Marxist tradition that reacted against the philosophic ideas on which the original human rights concept was based, and superimposes this on a heritage of absolute monarchy. In contrast to the Western democracies, whose original human rights principles gradually radicalized themselves, producing a greater and greater transformation of social life, the alternative Marxist conception of justice in the U.S.S.R. was soon withered by tactical compromises with the necessities of absolute rule.

The effect of Soviet foreign policy has not been to encourage human rights. The Soviet Union dominates, without their consent, not only the non-Russian peoples of the former Czarist empire, but also the nations of Eastern Europe. The efforts of the people of East Germany, Hungary, Czechoslovakia, and Poland to create freer and more open systems have all been frustrated by Soviet intervention or pressure. In 1979 the Soviet army invaded Afghanistan to impose a government unacceptable to the overwhelming majority of the Afghan people. In the developing countries, the Soviet Union has a tendency to use its influence to move governments toward political structures of the Soviet type where possible. For example, in Ethiopia, whose current government is already a friend of the Soviet Union in its foreign policy, there has been persistent Soviet pressure to create a communist party on the Soviet model. Thus a world in which several major powers were in theoretical agreement over human rights has given way to a world in which the two greatest powers are fundamentally divided over this issue.

United States Human Rights Policy

Human rights is at the core of American foreign policy because it is central to America's conception of itself. This nation did not "develop." It was *created* in

order to make real a specific political vision. It follows that "human rights" is not something added on to our foreign policy, but its ultimate purpose: the preservation and promotion of liberty in the world. Freedom is the issue that separates us from the Soviet bloc and embodies America's claim on the imagination of people all over the world.

Our human rights policy has two goals. First, we seek to improve human rights practices in numerous countries—to eliminate torture or brutality, to secure religious freedom, to promote free elections, and the like. A foreign policy indifferent to these issues would not appeal to the idealism of Americans, would be amoral, and would lack public support. Moreover, these are pragmatic, not utopian, actions for the United States. Our most stable, reliable allies are democracies. Our reputation among the people in important countries that are dictatorships will suffer if we come to be associated not with liberty, but with despotism. Often the people whose rights we are defending are the national leaders of future years.

As to the question of tactics, the Reagan Administration's test is effectiveness. With friendly countries, we prefer to use diplomacy, not public pronouncements. We seek not to isolate them for their injustices and thereby render ourselves ineffective, but to use our influence to effect desirable change. Our aim is to achieve results, not to make self-satisfying but ineffective gestures.

But the second goal of our human rights policy sometimes can conflict with this search for effectiveness: we seek also a public association of the United States with the cause of liberty. This is an eminently practical goal: our ability to win international cooperation and defeat anti-American propaganda will be harmed if we seem indifferent to the fate of liberty. Friendly governments are often susceptible to quiet diplomacy, and we therefore use it rather than public denunciations. But if we never appear seriously concerned about human rights in friendly countries, our policy will seem one-sided and cynical. Thus, while the Soviet bloc presents the most serious long-term human rights problem, we cannot let it falsely appear that this is our only human rights concern. So a human rights policy does inescapably mean trouble—for example, from friendly governments if the United States Government places pressure upon them, or from the American people if their

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government appears not to be doing so. Yet a human rights policy embodies our deepest convictions about political life, and our interests: the defense and expansion of liberty.

Our human rights policy also has two sides, the negative and the positive. The negative side is embodied in the way we oppose (through act or word) specific human rights violations in the short term. The positive side is strongly emphasized by the Reagan Administration in which we seek over the long term to help democracy, the surest safeguard of human rights. It is a fact that most democracies have excellent human rights records; nothing is as likely as democracy to produce this result.

President Reagan has made the long-term development of democracy throughout the world a central goal of our foreign policy. Too often our human rights policy has been reactive or negative, responding to events by punishing people for bad behavior. The President wishes to go beyond this to an active, positive human rights policy. He outlined his conception in a speech to Parliament in London last June where he announced plans for two conferences that have since been held in Washington: a conference of scholars and experts on the democratization of communist countries, and a conference on free elections which included political leaders and elections officials from countries throughout the world. In addition, there is now underway a bipartisan study of how the United States can do more to promote democracy, and whether the growth of democratic institutions such as free elections, a free press, free labor unions, or an independent judiciary can be promoted through an appropriate combination of public and private effort. Recommendations for programs are expected this spring. Such programs would by their very nature need to be insulated from United States Government control, and would have to be responsive to the needs and desires of men and women who seek democracy for their own countries.

At the same time, the United States Government has assembled proposals for programs in support of democracy. The Executive branch will soon be submitting these proposals for the consideration of Congress. They contain such items as support for free labor movements abroad; working with the AFL-CIO; expanded visitor exchanges of individuals in all age groups; proposed monetary support for publishing and distributing literature and teaching

materials on democracy. Also suggested are support for the free press in the form of increased journalists' exchange and training; and support for organizations whose goal is protecting proponents of democracy, whether through observing trials, strengthening judicial procedures, or building intellectual and popular support for democratic institutions and procedures.

Obviously, the positive course of human rights policy is not a substitute for an immediate and active response, including sanctions, for human rights violations when they occur. But the Administration believes that we should treat not only the symptoms but the disease—that we should not only respond to human rights violations but also should work to establish democratic systems in which human rights violations are less likely to occur.

Positive policy of this kind will be aided by the genuine echo that the concept of human rights evokes around much of the world, and by the fact that no other conception of political justice has been able to win as much legitimacy over the last two hundred years. In aiding this movement, we will not be struggling alone, but assisting the most powerful current of history during the last 200 years. This Administration is committed to such a positive effort in support of human rights.

The Congress has already established one human rights program on the positive side. Section 116(e) of the Foreign Assistance Act provides Agency for International Development (AID) funding for programs and activities which will encourage or promote increased adherence to civil and political rights in countries eligible for United States bilateral assistance. In Fiscal Year 1982 AID funded activities of \$1,645,250 in 22 countries. Activities included the education and research program of the Inter-American Institute of Human Rights in Costa Rica; support for international observers for the March 1982 elections in El Salvador; strengthening the institutional base of the Indonesian legal system; legal education programs in the Philippines; research on human rights and a public education campaign on civil and political rights by the Liberian Constitution Commission; and publication of the newly revised Zairian penal code.

Present United States human rights policy gives special attention to encouraging major improvements in the observance of human rights over the long term. But it does not neglect the

simple imperative of responding to the fact of suffering. The United States is a major haven for refugees and the major contributor to the work of the United Nations High Commissioner for Refugees, giving \$121.9 million in FY 1982. In FY 1982 the United States contributed over \$14 million to the International Committee of the Red Cross for its programs on behalf of prisoners, missing persons, and civilians in wartime.

In the pursuit of its human rights policy the United States uses a wide range of means. Decisions on foreign assistance provided by the United States take human rights conditions into account. The transfer of police and military equipment is carefully reviewed in order to avoid identifying the United States with violations of human rights. In addition, human rights policy employs a varied mix of diplomatic tools: frank discussions with foreign officials; meeting with victims of human rights abuses; and, where private diplomacy is unavailing or unavailable, public statements of concern. These instruments are applied in a manner that takes into account a country's history, culture, and current political environment, and recognizes that human rights concerns must be balanced with other fundamental interests. This Administration has used all of these instruments at one time or another.

Regional and International Institutions for the Protection of Human Rights

During the past year the United States has pursued in international organizations the theme established early in the Reagan Administration: to oppose in international fora the double standard applied to human rights violations and to work toward a more regional approach to solving international human rights concerns.

The 38th (1982) session of the United Nations Human Rights Commission (HRC) met in Geneva as the Polish Government, urged on by the Soviet Union, acted to suppress the human rights of the Polish people. The Commission adopted a resolution expressing its deep concern over the widespread violations of human rights and fundamental freedoms in Poland, and affirmed the rights of the Polish people to pursue their political and economic development

free from outside interference. Specifically, the resolution called upon the Secretary-General to undertake a thorough study of the human rights situation in Poland and to present a comprehensive report to the 1983 session of the Commission.

This action represented the first time in its 38-year history that the Commission has spoken out on human rights violations in an Eastern European country. It demonstrated that Poland was not an East/West issue, but a matter of worldwide concern. The resolution, which was sponsored by European nations, received support from all regions.

Passage of the Polish resolution, as well as adoption of resolutions condemning foreign intervention in Afghanistan and Kampuchea, and the flagrant violation of the human rights of the Khmer people, reflect a movement, albeit slow, toward honest assessment of human rights violations throughout the world. The success of these efforts reflected strong Western cohesion, and a commitment to reaching out to less-developed countries through three difficult procedural resolutions and a final substantive vote.

The agenda for the 38th session of the Commission included a broad range of items, most of which were carry-overs from previous sessions. These included items relating to human rights in the Israeli-occupied Middle East territories, human rights in Chile, El Salvador, Bolivia, and Guatemala, human rights in South Africa, and a general item relating to the realization of "economic human rights" and a "right to development."

The United States Government continues to be troubled by the Commission's treatment of the right to development issue, which the United States is not prepared to recognize as a basic human right, questions dealing with *apartheid*, and the Middle East.

In general, the Commission remained critical of human rights conditions in Latin America, criticizing Chile, Guatemala, and Bolivia in the public sessions, in addition to the resolution on El Salvador.

Within days of passage of the resolution on El Salvador, which the United States considered was intended to undermine the electoral process in that country, Venezuela called for a special session of the Organization of American States (OAS) Permanent Council to complain about UN interference in a regional matter. The United States Government hopes that this move is a precursor of greater willingness by

regional bodies, such as the OAS, to undertake responsibility for significant issues which now primarily confront the United Nations.

Many of these problems appeared during the 37th session of the United Nations General Assembly: a double standard which focuses solely on certain countries, and a partisan treatment of human rights questions.

The General Assembly's Third Committee (Social and Humanitarian Affairs) voted on issues regarding, among others, racial discrimination, human rights in El Salvador, Chile, and Guatemala, Middle East issues, human rights and mass exoduses, and self-determination. United States efforts served primarily to limit damage and to provide a forum for articulating the beliefs of the Administration, including emphasis on the hypocrisy of current double standards, discrimination against Latin America countries, and general indifference to violations by the Soviet Union and its Communist allies.

United States efforts in the coming year in international and regional bodies will focus on a heightened international consciousness of human rights concerns in which there is implicit recognition of equity and consistency as underlying themes.

The Madrid follow-up meeting of the Conference on Security and Cooperation in Europe (CSCE)—the 35 states that signed the 1975 Helsinki Final Act—was scheduled to resume in early February 1983 after a six-week holiday recess. The Madrid meeting has been in session (with periodic breaks) since November 1980, longer than the original meeting which produced the Helsinki Final Act.

The principal obstacle to progress has been the continuing pattern of Eastern violations of the human rights provisions of the Final Act. After the increase in repression in Poland in 1981, the Western allies broke off all negotiation of the new CSCE document until November 1982. When the meeting reconvened, the United States joined in sponsoring a Western package of proposals centering on trade union rights, religious freedoms, jamming of radio broadcasts, activities of Helsinki monitoring groups, and an experts' meeting on human contacts and family reunification. The Soviet Union and its allies have attempted to deflect attention from human rights issues, concentrating instead on the security aspects of the Helsinki Final Act. The United States has repeatedly emphasized that the further development of the CSCE process

must be balanced between progress on human rights issues and security interests.

In 1982, the European Commission on Human Rights and the European Court of Human Rights continued to hear and decide on cases involving violations of human rights in the 21 countries which are members of the Council of Europe. The Commission registered more than 400 individual cases for examination during the year. Spain and France joined the list of more than a dozen member countries which permit their citizens to appeal directly to the Commission when they believe their basic rights have been infringed. Council of Europe member states regard European Court of Human Rights judgments as binding and generally seek to make amends in accordance with the Court's rulings. While neither the Court nor the Council of Europe is empowered to enforce the Court's rulings, member countries' voluntary acceptance of its findings demonstrates that the Court exerts a positive influence on human rights issues in Europe.

The Inter-American Commission on Human Rights (IAHRC) was established in 1960 to promote the observance and protection of human rights and to serve as a consultative organ for the OAS. The Commission considers individual complaints and conducts on-site examinations of alleged human rights violations. It approves definitive reports on the human rights situation in various Latin American countries and prepares an annual report for presentation to the OAS General Assembly.

The Organization of African Unity Assembly of Heads of State and Government approved an African Charter of Human and People's Rights at a meeting in Nairobi in June, 1981. The Charter will come into force upon ratification by a simple majority of the member states. By the end of 1982, 16 states had signed the Charter and six of those had formally deposited the instruments of ratification.

The legitimacy of human rights as an issue for public discussion gained wider acceptance in Africa in 1982. In late October the Government of Togo, jointly with the Paris-based Young African Lawyers Association and UNESCO organized a five-day human rights conference in Lome. The focus of concern was human rights in the context of the traditional African values of community, harmony, and solidarity. The sessions were devoted to discussion of the rights of women and the aged,

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cultural rights of minorities, and human rights and the push for economic development. During his 1982 trip to Africa, Vice President Bush engaged in discussions of human rights issues in several countries, including a human rights colloquy on human rights policy in Dakar, Senegal.

Preparing a Human Rights Report

We believe it will be useful to the Congress and to other readers of this report to include here a brief summary of the preparation process, of certain limitations imposed by circumstances upon that process, and of the assumptions we have made regarding the inclusion or treatment of material in the individual country reports.

Legislation requires the submission of the annual report by January 31. To meet this requirement, the Department has found it necessary to begin the annual exercise in late summer. A message is distributed to all United States embassies and to the offices within the Department which are involved in the preparation of the report. This message incorporates guidance concerning the schedule under which the individual country reports are to be drafted by each embassy and submitted to the Department, and detailed instructions on format, drafting style, and coverage. It does not attempt, however, to dictate the actual content of any country report. The original drafts are normally prepared by United States diplomatic posts in the field, unless we have no representation in the country considered.

When received in the Department, the individual country reports are reviewed and revised by the appropriate country "desk", by the geographic bureau concerned, by several bureaus and staffs which have responsibility for specific areas or functions covered in the reports, and by the Bureau of Human Rights and Humanitarian Affairs which has overall responsibility for the preparation of the reports. The completed reports are then sent to the Congress.

The information in the individual reports, and the judgements rendered, are drawn from all sources available to the United States embassy concerned and are supplemented by the information and knowledge available in the various bureaus and staffs which review the reports in the Department. Sources include officials of foreign governments, private citizens, personal observations of US officials, victims of human rights violations, intelligence information, press reports, non-governmental organizations, and human rights bodies of inter-

national organizations. Much of the information is already public.

There are various problems associated with preparation of these country reports. The same problems, addressed in different ways, affect other human rights reporting efforts, such as those of Freedom House and Amnesty International. A better understanding of the problems involved in preparing any report about worldwide human rights conditions should be helpful to the Congress and the community concerned about human rights.

Problems, Procedures, and Assumptions

To meet the legislative requirement of submission of the report by January 31, the reports must be initially drafted in the preceding October and November, with the review process extending into January. It is possible that developments in the latter part of the year under review may not be reflected; every effort is made, however, to include reference to major events or significant changes in trends which occur up to, or even beyond, the end of the year.

In preparing this report, we are fully conscious of the information gathered and reported by the human rights bodies of international organizations and by the major non-governmental human rights organizations. Two of the major reports, however, those of Amnesty International and Freedom House, were not available until late in 1982 when much of our work had been, perforce, completed. In addition, Amnesty International's report for 1982 reported only the situation in 1981, and Freedom House drew upon material relating to the period up to mid-1982 only.

The United States Government's report differs in its coverage from reporting by some non-governmental organizations. Thus, whereas Amnesty International intentionally concentrates exclusively on human rights violations by governments, we believe that it is necessary to treat violations such as torture, murder, interference with a free press, and intimidation of the judiciary whether they are committed by governments or by opposition movements. This course is particularly essential in a period when many opposition and guerrilla movements maintain to a greater or lesser degree a state apparatus (e.g., control and administration of territory, flags, organized military units.)

Amnesty International also omits almost all discussion of the status of civil and political rights from its annual

reports, in order to avoid political entanglement, and to concentrate upon violations against individuals, while we regard political rights as fundamental and endeavor to discuss them in detail. Many private human rights organizations consider the use of capital punishment a human rights violation *per se*. Neither the United States Government nor the United States Supreme Court takes the position that the death penalty, imposed after due process in a legitimate judicial system, constitutes a violation of internationally recognized human rights or that it constitutes cruel and unusual punishment.

Although efforts have been made to ensure the comprehensiveness of this report, certain problems appear to be inherent in any efforts to prepare a report on international human rights conditions. Some have to do with our lack of knowledge or access, some are conceptual, some reflect trends in world public opinion, and some arise from the mechanics of the reporting process itself. While attempts have been made to resolve these problems, they have not always succeeded.

The Problem of Consistency

The problem of consistency is one which necessarily affects every effort to report on world human rights conditions. While we do not attempt to make explicit comparisons, the country reports will obviously be seriously misleading if, for want of consistent reporting standards, some countries are implicitly held to a different (either higher or lower) human rights standard than others. Unfortunately, there is literally no one who has the close and detailed information of circumstances in the 162 countries covered in the 1982 submission to comment knowledgeably on all of them. Thus, such a submission would either have to be drafted by a single person who could not be familiar with all countries, or by many hands, as this volume is. Neither approach, unfortunately, resolves the problem of consistency. We recognize, therefore, that inevitable differences in perspective, judgment, and emphasis may appear in the various reports, despite our most determined efforts to avoid these faults.

The Problem of Information

By the nature of the subject, governments which violate human rights rarely admit to such violations, nor do they welcome foreign governmental or non-governmental interest in what they

regard as their internal affairs. It is ironic that our most detailed, careful, and ample reporting is in open societies where access and evaluation are welcome and facilitated by governments whose concern for human rights equals our own, while we may have virtually no access to many closed societies where some of the very worst human rights violations occur. Thus the quality of the reports differs markedly in terms of the evidence presented. In some cases we have been able to draw upon evidence sufficient to meet highly critical standards, while in others we must rely heavily on the evaluation of very limited information.

The problem of uneven access to information has also proved troublesome in another respect. Because we often do not have very much information about human rights abuses in closed societies, these societies may appear to have a better human rights record than more open societies, where greater knowledge of abuses is available. Indeed, the paradox seems to emerge that while closed societies have a structural tendency to be the worst abusers of human rights, they also may receive less criticism than some relatively open societies simply because we know so much less about them. By attempting, on the one hand, to elicit as much information about closed societies as possible, and by underscoring, on the other hand, the limited nature of the information we possess, this report has tried to overcome the "built-in" bias in favor of closed societies.

Related to the problem of lack of access to closed societies is our lack of knowledge about traditional societies, i.e., societies which, either in whole or in part, have not undergone the effects of the scientific and industrial revolutions. In such societies, traditional institutions and structures often have a very important human rights impact, yet their workings often are not fully understood by observers standing outside of the culture. We tend, therefore, to focus on the effectiveness of such modern, Western institutions as trial by jury, habeas corpus, a free press, parliaments, and elections and to ignore non-Western, traditional institutions. The reader of these reports will note that they are more informative about legal systems of the Western type than about the administration of Islamic law, and more informative about Islamic legal systems than tribal and customary legal systems. Moreover, even if we knew far more about the inner workings of traditional societies, we would still be faced with a major conceptual difficulty: how

to evaluate the positive and negative consequences of indigenous conceptions of decency, such as the Sharia, which developed independently of the Enlightenment human rights tradition. In specific cases, it is not easy to decide whether adherence to such an indigenous tradition is a violation of human rights or an affirmation of them.

Preparing A Comprehensive Report

Other problems in compiling a comprehensive human rights report derive from the fact that the drafters cannot work in complete isolation from world public opinion on human rights. World attention to human rights violations is limited, and necessarily focuses on a few cases. Also, because human rights is used as a political weapon, public concerns about human rights violations can assume a somewhat arbitrary character, focusing on relatively minor human rights violators while ignoring others that are equally bad or worse. Moreover, while the human rights situation in a given country can change drastically, either for good or for ill, during a comparatively short period of time, world public opinion responds much more slowly to changes in the human rights environment. Once a nation acquires a human rights profile, as it were, whether favorable or unfavorable, that profile tends to remain with it regardless of the objective human rights situation. At times, the position a country enjoys in world public opinion can influence the perceptions of the human rights reporter. The only way to deal with these problems is to try to adhere to rigorous standards in each of the country reports.

Unfortunately, it has become evident that many readers have assumed that the length of a report is in itself a judgment upon the seriousness of the human rights situation in a country. This assumption is completely unwarranted. The length of a country report is influenced by a number of factors, including the availability of information, the openness of the society under scrutiny, the degree of development of the information media, the size of the country, the degree of international and United States interest in a country situation and, not least, the energy and skill of a particular reporting officer.

It appears that academic research based upon the annual report has begun, with some scholars attempting to draw statistical comparisons of practices between countries, etc. While we are

pleased to note this interest and its promise for further understanding of the elements of human rights practices in the world, we caution researchers that the reports are not prepared with this purpose in mind, and that the data are not fully standardized.

The legislation requires reports on all countries which receive aid from the United States, and all countries which are members of the United Nations. In the belief that the information would still be useful to the Congress and to other readers, we have determined to include countries which are not technically included in the Congressional requirement, such as Switzerland. On the other hand, we have omitted several very small or very new states for which we have virtually no data, such as Kiribati. We have also attempted to provide enough background information in each report to place the human rights situation in context, under the assumption that those who need to delve more deeply will consult other sources.

¹Section 116(d)(1) provides as follows:

"The Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, by January 31 of each year, a full and complete report regarding—

(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

(A) in countries that received assistance under this part, and

(B) in all other foreign countries which are members of the United Nations and which are not otherwise the subject of a human rights report under this Act."

Section 503(B)(b) provides as follows:

"The Secretary of State shall transmit to Congress, as part of the presentation materials for security assistance programs proposed for each fiscal year, a full and complete report, prepared with the assistance of the Assistant Secretary for Human Rights and Humanitarian Affairs, with respect to practices regarding the observance of and respect for internationally recognized human rights in each country proposed as a recipient of security assistance."

²It should be noted that statistical data on economic and social conditions in Section 4 of each country report is drawn from World Bank figures which we believe to be the most reliable available. For many countries the Bank data may be two or more years old, but we have used it because it provides the best single, reasonably reliable set of data, compiled under consistent methods for all countries. There are of course many other sources of data, many of which conflict, particularly when estimates are necessary. We have used the World Bank data as a rule; only when it is clear that this data is significantly out-of-date or that a particular estimate is seriously questionable, have we substituted data from other sources. ■

Extraterritoriality and Conflicts of Jurisdiction

by *Kenneth W. Dam*

Address before the American Society of International Law, Washington, D.C., on April 15, 1983. Mr. Dam is Deputy Secretary of State.

On December 13, 1981, the regime of General Jaruzelski imposed martial law in Poland. The Solidarity labor union was suppressed; its leaders interned. A ruling Military Council began mass arrests and set up detention camps. President Reagan denounced the Polish regime for "tramp[ing] underfoot its solemn commitments to the UN Charter and the Helsinki accords." He denounced the Soviet Union for its threats and pressures which bore a major share of the blame for the repression in Poland. On December 29, he unveiled a series of economic sanctions against the Soviet and Polish Governments. The steps included the suspension of licenses for the export or reexport to the Soviet Union of equipment and technology for transmission and refining of petroleum and natural gas. On June 18, 1982, the sanctions were further extended to prohibit any such exports by U.S. subsidiaries or licensees abroad.

There followed, through the rest of 1982, a major dispute between the United States and its most important allies over the effect and legality of the sanctions we had imposed. The usually dry and esoteric issues of international law suddenly became dramatic issues of political conflict, grand strategy, and global diplomacy. International law, instead of mitigating conflict, became a battleground until the underlying dispute was eased by diplomacy.

The legal dispute was over what is sometimes called extraterritoriality. I prefer the term "conflicts of jurisdiction," which describes the issue more neutrally and analytically. In a wide variety of situations, the United States and other countries attempt to apply their laws or regulations to conduct or property beyond their national boundaries. The resulting international disputes can become particularly serious when the legal arguments embody major disagreements over foreign policy, as in

the Polish sanctions case. Thus conflicts of jurisdiction are at the intersection of law and diplomacy, making the topic especially appropriate for a Deputy Secretary of State to discuss before this learned society.

One of the aims of the American Society of International Law has been "to promote the establishment and maintenance of international relations on the basis of law and justice." That is a good statement of one of our principal national objectives in both international law and foreign policy.

Let me give you a brief survey of the conflicts problem, and then I shall outline the program of concrete steps that the U.S. Government is taking to show its willingness to resolve, or ease, the kinds of difficulties that have arisen.

Roots of the Problem

The international problem of conflicts of jurisdiction has an ancient history. The concept of extraterritoriality antedated the nation-state as we now know it. Through Roman and medieval times, a citizen was subject to the jurisdiction of his sovereign wherever he traveled. More recently, for centuries, consuls of some powerful states were able to exercise criminal and civil jurisdiction over their nationals in foreign countries. As early as the 15th century, Venetians traveling in the Ottoman Empire gained exemption from Ottoman jurisdiction. Soon Sardinians, Tuscans, Austrians, Russians, and others carved out similar privileges in Ottoman domains. The other most famous case is China in the 19th century. Many European colonial powers gained the right to apply their own laws to their nationals in China through diplomatic or consular courts.

The United States engaged in the practice as well. We gained extraterritorial rights in regions of the Ottoman Empire by the 1830 Treaty of Commerce and Navigation with Turkey. These rights lasted until 1949. In China, the United States obtained extraterritorial jurisdiction through the 1844 Treaty of Peace, Amity and Commerce and did not terminate it until 1943.

When the treaty to relinquish extraterritorial rights in China was before the

U.S. Senate in 1943, the Foreign Relations Committee somewhat nostalgically observed that the practice of extraterritoriality had had a benign purpose. It had been intended, the committee said, "to diminish friction, minimize causes of conflict, and contribute to the maintenance of conditions of law and order." As we now know, the practice had the opposite effect. The Chinese today view it as a symbol of the humiliations imposed on them by the colonial powers during the period of their national weakness. The issue had quite literally revolutionary implications.

In this modern age of nationalism, every nation is extraordinarily sensitive to other countries' assertions of jurisdiction that seem to impinge on the sacred domain of national sovereignty. The irony is that the modern world also generates its own, almost unavoidable, conditions of jurisdictional conflict.

We live in a world of increasing economic interdependence. The rapidly growing scale of international trade and investment in the postwar period has brought with it a vast expansion of law, regulation, and legal complexity. The result is that even among the closest allies, claims of jurisdiction are bound frequently to collide. Consider the enormous expansion of world trade: The decade of the 1970s was a period of oil shocks and recessions; nevertheless, between 1970 and 1980 world exports increased from \$328 billion to over \$2 trillion. American exports alone increased from \$43 billion to over \$220 billion. Foreign direct investment in the United States increased almost fivefold.

In this modern environment of commercial expansion and interaction, the United States and other nations often judge that their civil and criminal law must reach conduct abroad that has substantial and direct effects on their economies, their interests, and their citizens. Needless to say, one nation's assessment of its legal necessity often runs up against another nation's conception of its national sovereignty.

Problems of conflicting jurisdiction can take many forms. Some conflicts arise from relatively routine applications of domestic law and regulation which do not mesh with other countries' practice. Other conflicts arise from basic clashes of national policy—deeply held convictions, expressed in either domestic or foreign policy, which conflict with the views of other countries. Let me discuss both kinds of cases.

Conflicts of Procedure

In all our countries, expanding bodies of statutory and regulatory law may impel governments or courts to attempt to reach beyond the confines of the national territory. Our Internal Revenue Service, for example, may seek documents in the possession of an enterprise abroad in order to enforce the proper allocation of taxable income among affiliated companies. Our Securities and Exchange Commission may seek the identity of Swiss bank depositors suspected of insider trading in U.S. securities markets. Our courts may attempt to serve process overseas or to attach sanctions to the failure of foreign witnesses to testify. Our laws prohibiting compliance with foreign economic boycotts against friendly countries apply—by statute—to overseas subsidiaries of American companies.

We in the United States have a long domestic experience with the differing laws of 50 states. Perhaps for that reason we seem to be more comfortable with multiple claims of jurisdiction and much less deferential to the idea of absolute territorial sovereignty. But the United States is not alone in applying its law to foreign entities or transactions. The Commission of the European Communities (EC) is now developing a series of regulations which would affect the operations of transnational corporations. One such regulation—the so-called Vredeling proposal—would require subsidiaries in the EC to disclose to their local employees certain decisions and actions of the corporate parent abroad which have direct effects on those employees. This regulation would apply, for example, to investment and plant-closing decisions. In another area, the European Commission's antitrust authorities are considering remedies in a proceeding against IBM that would require IBM to disclose what it considers trade secrets.

Both the Vredeling and the IBM developments have a large potential impact on American firms and their operations outside the EC. The U.S. Government is watching them closely. Some, of course, may savor the prospect of American discomfiture at other countries' attempts to exert an extraterritorial reach. The larger lesson, however, is that the conditions impelling countries to move in this direction are universal, powerful, and troublesome for all countries.

Perhaps the classic modern area of conflicts of jurisdiction is antitrust law.

The United Kingdom, Australia, and some other important friendly countries simply do not accept the "effects test" as a legitimate basis of jurisdiction to regulate economic conduct under international law. The effects test was initially enunciated in Judge Learned Hand's 1945 Alcoa decision and is the first step in the jurisdictional analysis performed by Federal courts today. It applies U.S. antitrust law to conduct abroad having substantial, direct, and foreseeable effects on U.S. domestic or foreign commerce.

The United States is not alone in its adherence to the effects test. In the *Philip Morris* case, the Federal Republic of Germany has claimed jurisdiction over a multinational merger on the basis of

in antitrust litigation have no such responsibility. They may even have an incentive to maximize the detrimental effect on our foreign relations in order to promote a favorable settlement. This has led some foreign governments to criticize private treble-damage actions as "rogue elephants."

Conflicts of Policy

The problem of conflicts of jurisdiction is heightened where there is a conflict of substantive doctrine as well as competing procedural claims. Indeed, antitrust law provides several examples of significant disputes over broad public and international policy.

Some conflicts arise from relatively routine applications of domestic law and regulation which do not mesh with other countries' practice. Other conflicts arise from basic clashes of national policy—deeply held convictions, expressed in either domestic or foreign policy, which conflict with the views of other countries.

effects—albeit indirect—on the West German market. The EC Commission has claimed jurisdiction to investigate alleged conspiratorial conduct in the wood-pulp industry—conduct occurring outside the EC—on the basis of effects within the EC. Ironically, this growing parallel use of the effects test only increases the inherent potential for conflict; it raises the prospect of proliferating challenges to multinational enterprises by both the United States and the European Community.

Particularly acute conflicts have arisen from private treble-damage actions brought against foreign companies in American courts. The treble-damage remedy was designed in American law to bring about more effective antitrust enforcement, encouraging "private attorneys general" by use of a financial incentive. Our public enforcement authorities—the Antitrust Division of the Justice Department and the Federal Trade Commission—can balance a broad range of public interests when they make enforcement decisions (though foreign governments may still be unhappy with the outcome). Private parties

With only limited exceptions, U.S. law and policy reflect our belief that the marketplace should decide what price to set for goods and services and which competitors will survive the cycles of economic fortune. As the Supreme Court said in the *Brown Shoe* and *Brunswick* cases, antitrust regulation of the marketplace is meant "to protect competition, not competitors." By contrast, many of our trading partners favor—indeed, often encourage—the creation of cartels, particularly for export of products and natural resources. These differing views over the role of the marketplace were manifested in the *Swiss Watchmakers* case.

The Swiss Government, starting at least in 1951, authorized and encouraged the formation of a watch export cartel involving both Swiss and U.S. companies. In 1962, the U.S. Department of Justice challenged the cartel under the Sherman Act because it had anticompetitive effects in the U.S. market. The U.S. District Court subsequently entered a consent decree barring the challenged conduct.

The *Swiss Watchmakers* case demonstrates that where an activity has

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an impact on two or more jurisdictions, conflict will arise if they are pursuing contrary policies. And the mechanical application of the principle of territoriality will not either satisfactorily or permanently resolve that conflict.

These differing conceptions of the international order bring us to the realm of foreign policy, where some of the most dramatic cases of conflicts of jurisdiction have occurred. The United States has resorted to economic controls in several instances as an instrument of foreign or national security policy. In the case of our export controls over trade with communist countries, there have been many instances of disagreement with our trading partners. In a famous example in the mid-1960s, French President de Gaulle reopened trade relations with China at a time when U.S.-China relations were still locked in bitter hostility. This action quickly found its way into court in the *Freuhauf* case.

In 1965, the United States attempted to prevent the French subsidiary of Freuhauf, an American manufacturer of tractor trailers, from selling trailers to China. The subsidiary sought relief from a French court, which took over operation of the subsidiary and appointed a receiver who required delivery of the trailers to China. In the end, the territorial sovereign—in this case, France—was allowed to control the enterprise at issue. But the underlying policy conflict endured, at least until 1971, when one of the jurisdictions involved—that is, the United States—began to harmonize its China policy with that of the other.

The dispute over Polish sanctions was an even more vivid example of a legal dispute that was in its essence a dispute over policy. We and our allies condemned the Soviet-backed declaration of martial law in Poland and the suppression of human rights. To signify that "business as usual" could not continue with those who oppressed the Polish people, the President imposed economic sanctions against the Soviet and Polish Governments. These sanctions included, *inter alia*, controls over exports of oil and gas equipment and technology to the U.S.S.R.

The President imposed the sanctions under the Export Administration Act of 1979. That act authorizes controls over goods or technology "subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States" where necessary to further our national security or

foreign policy objectives. Where "national security" controls are involved, fewer disputes arise between the United States and its allies. Goods and technology which make a direct and significant contribution to Soviet military potential are prohibited by all allied countries. When the controls are imposed on "foreign policy" grounds, however—such as in the Polish case—different perspectives are more likely to exist.

The legal dispute with our allies over Polish sanctions focused on the American effort to reach conduct abroad and on the issue of sanctity of contracts. The sanctions announced on December 29, 1981, prohibited exports and reexports of oil and gas equipment and technology to the Soviet Union regardless of pre-existing contractual obligations; the sanctions extended to goods of U.S. origin already in foreign hands. On June 18, 1982, the controls were extended to prohibit the export by foreign subsidiaries of wholly foreign-made goods, and the export by licensees of foreign products incorporating previously obtained U.S. technology. Our allies objected to the interruption of contracts already signed. They further objected to the so-called "extraterritorial" reach of the sanctions.

American parents of the foreign subsidiaries, such as Dresser Industries, and licensees of American technology brought numerous administrative proceedings and lawsuits against the U.S. Department of Commerce. In response, this government took the same position that administration after administration and Congress after Congress have taken—namely, that the relationship between a parent and a subsidiary, or the use of American technology by a licensee, justifies the assertion of American jurisdiction when substantial American interests are involved.

But the issue was not resolved in the courts. It was settled by diplomacy. The underlying dispute was on the broader question of economic relations with the Soviet Union. Events in Poland demonstrated that East-West trade has not had a moderating effect on Soviet behavior as some—in the United States and elsewhere in the alliance—had thought it would.

The original theory of East-West trade was that the Soviet Union would be restrained in its international behavior for fear of jeopardizing its trade with the West. However, dependence on East-West trade may have

added to the inhibitions on Western responses to Soviet misconduct.

It has also become clear since the late 1970s that the Soviet Union is gaining considerable benefit from access to Western high technology, both for direct military application and for upgrading the economic base which supports the Soviet military establishment.

For these reasons, the United States, since at least the Ottawa summit of 1981, had questioned the wisdom of providing the Soviets with advanced equipment—and particularly with subsidized credits—to construct the natural gas pipeline from Siberia to Western Europe. Such a project would provide the Soviets with foreign exchange, enhance their technological capability, and create what we viewed as an unfortunate degree of dependence on energy trade with the Soviet Union.

The dispute over the Polish sanctions highlighted the need for a new consensus within the alliance on East-West economic relations. Our sanctions on oil and gas equipment, as you know, were lifted on November 13, 1982. On that day the President also announced that the major industrial nations of the West recognized "the necessity of conducting their relations with the U.S.S.R. and Eastern Europe on the basis of a global and comprehensive policy designed to serve their common fundamental interests." As a result, a consensus was reached with our allies:

First, not to engage in trade arrangements which contribute to the military or strategic advantage of the Soviet Union;

Second, not to give preferential aid to the heavily militarized Soviet economy; and

Third, not to sign any new natural gas contracts with the Soviet Union, pending a new alliance study on energy alternatives.

We also agreed to strengthen existing controls on the transfer of strategic items to the U.S.S.R. and to examine whether our collective security requires new controls on certain kinds of high technology not currently controlled, including oil and gas equipment. And we agreed to work toward harmonizing our export credit policies.

There is an important lesson here, and, indeed, it is the main theme I want to put before you tonight. When these disputes over jurisdiction turn out to be grounded in disputes over policy, the most effective solution is a major effort to harmonize our policies. This may not

make the legal disputes go away, but it will surely make them less divisive. The democratic nations have an even deeper interest in resolving these policy conflicts—not only to make lawyers' lives easier but to preserve the political unity of the Western alliance. And that alliance is, without exaggeration, the foundation of the legal, economic, and political system of the democratic West.

In the coming decades, the problem of maintaining allied cohesion over foreign policy will not necessarily become easier. In the early years of the postwar period, American power was so preponderant within the alliance that our prescriptions often received ready acceptance from allies weakened by the war and dependent on American economic aid and military protection. Today, our allies are strong, self-confident, and independent minded. Unanimity will hardly be automatic. The United States still has the responsibility to state its convictions, and act on them, on matters of vital importance to free world security. Harmonizing policies will require determined effort on the part of all.

Measures for the Future

The United States is prepared to do its part in finding cooperative solutions to the problems I have discussed. We are prepared to be responsive to the concerns of others. If our allies join with us in the same spirit, much can be done.

First of all, the United States will continue to seek to resolve the policy differences that underlie many of these conflicts of jurisdiction. Thus, for example, we will work with our allies toward the goal of a new consensus on the important strategic issue of East-West trade.

Second, the United States can seek to minimize conflicts by shaping and applying appropriate guidelines to govern assertions of authority over conduct abroad where those assertions conflict with foreign law. The American Law Institute is now considering a third draft *Restatement of Foreign Relations Law*. The draft now gives a prominent place to the balancing of competing state interests in determining the existence of jurisdiction over foreign conduct. We in the Department of State are not altogether satisfied with making a balancing test the prerequisite to the existence of jurisdiction. As a practical matter, however, a careful weighing of the interests

of the states concerned is obviously a useful procedure and a deterrent to unwarranted conflicts. We welcome the Federal courts' use of a general balancing analysis in private cases like *Timberlane*, *Mannington Mills*, and *Mitsui*. Balancing can certainly help to ensure that decisions affecting significant foreign concerns are not taken lightly.

Third, the United States is making clear its intention to avoid further problems of retroactive application of economic controls. We know that the reliability of contracts is essential to the health and growth of commerce. Last week the President transmitted to Congress legislation to amend and extend the Export Administration Act of 1979. The Administration bill strengthens the national security export controls and their enforcement while at the same time easing some of the problems we have had in the past over foreign policy controls.

- The bill declares explicitly that "it is the policy of the United States, when imposing new foreign policy controls, to minimize the impact on pre-existing contracts and on business activities in allied or other friendly countries to the extent consistent with the underlying purpose of the controls."

- The bill also explicitly recognizes the sanctity of contracts as a limitation which will insulate many existing contracts from disruption by new foreign policy export controls. Specifically, the bill protects existing sales contracts that require delivery within 270 days from the imposition of controls, unless the President determines that a prohibition of such exports is required by the "overriding national interest" of the United States.

- To strengthen enforcement of the national security export controls, the bill authorizes restrictions on future imports into the United States of goods or technology from persons abroad who violate these controls. Controls on imports into the United States by particular foreign violators are obviously territorial and, therefore, are clearly within our jurisdiction under international law.

Fourth, the Administration is seeking other legislative changes that will indirectly, but we hope effectively, reduce the significance of conflicts of jurisdiction. The Justice Department, for example, has recently proposed amendments to the Clayton Antitrust Act to allow treble damages only in cases of

per se violations. While these amendments would continue to permit treble-damage suits in cases of cartelization, they would reduce friction concerning U.S. policy in such areas as regulation of vertical relationships, including supplier/purchaser relationships.

Fifth, the Departments of State and Justice are considering further statutory proposals to address problems arising in the international context from private treble-damage actions. I do not mean to criticize any particular past cases or to suggest any outcome for any cases now before the courts. Nevertheless, we are exploring ways of ensuring that private antitrust cases posing conflicts of jurisdiction are, indeed, consonant with the overall public interest. The Attorney General's actions in this area are informed by considerations of international comity and balancing. When private attorneys general act, similar considerations should be applied.

Sixth, we are seeking to expand the practice of prior notice, consultation, and cooperation with foreign governments wherever regulatory, enforcement, or investigative actions raise a danger of conflicts. The Antitrust Division and the Federal Trade Commission have pioneered in the practice of routinely providing advance notice to other governments of their actions affecting foreign parties. We are eager to conclude agreements to expedite the exchange of investigatory information, particularly to combat tax evasion. We believe that some international disputes can be avoided or eased by this means.

Seventh, in a related vein, we will be seeking procedures whereby regulatory, investigatory, or enforcement actions that substantially involve other countries' interests will be coordinated with the Department of State. The State Department can advise about foreign concerns, suggest procedures for notice to and consultation with foreign governments, and otherwise help agencies do their job without unnecessary collisions with other governments.

In some cases, as in our relations with the Securities and Exchange Commission, this kind of arrangement is working well. In other situations, improvement is needed. We, therefore, will

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be calling on the agencies concerned to work with us and give us prior notice of actions which pose a potential problem of conflicts of jurisdiction.

The Need for Cooperation

These measures will not eliminate the problem of conflicts of jurisdiction. But the United States is eager to do what it can to minimize such problems in the future. We value our relations with our partners.

Any one of our countries may, on some occasion in the future, feel that its national interest or public policy cannot be served without an assertion of jurisdiction which leads to a disagreement with its partners. The complexity of the modern interdependent world, and the

reality of greater equality among the major industrial nations, make these occurrences almost inevitable.

The problem is ripe for creative legal thinking. It also calls for statesmanship to ensure that the fundamental political and moral unity of the democracies is not torn by disputes over policy. All of the industrial democracies face the same larger responsibility: How do we reconcile our sovereign independence as nations with the imperative of our unity as allies? How do we balance our interest in expanding trade and jobs and prosperity with our interest in not contributing to the growth of Soviet power? Once again the great enterprise of the law touches upon some of the most profound questions of our national and international life. ■

U.S. Foreign Relations Law and Expropriation

Davis R. Robinson, the Legal Adviser, wrote the following letter to Professor Louis Henkin, the Reporter for the American Law Institute's (ALI) draft Restatement (Revised) of the Foreign Relations Law of the United States. The letter comments upon the text and commentary to Section 712 of tentative draft no. 3 of the proposed revision of the Restatement. That section deals with the standards of compensation for the expropriation of property owned by aliens.¹

April 14, 1983

Professor Louis Henkin
Columbia University Law School
435 West 116th Street
New York, New York 10027

Dear Professor Henkin:

After the ALI annual meeting last year, I agreed to provide you with a detailed statement of our position with regard to the draft *Restatement* language on expropriation. The first attachment to this letter sets forth a paragraph-by-paragraph discussion of the comments to draft section 712, together with an alternative text which, in my view, would better restate both the foreign relations law of the United States and the applicable rules of international law. Portions of that attachment also address related questions. I have not attempted to provide a detailed alternative draft of the Reporters' Notes, but the information supplied here and in the attachments may be of assistance in that regard.

Although the underlying issues are discussed in detail in the attached critique, I

believe that it would be useful briefly to review the basis upon which we suggest alternative language and our reasons for concluding that the current draft does not fully reflect international law. *Restatement (2d)* maintained in its black-letter text that "just" compensation is required (§185) and defined this in terms equivalent to "prompt, adequate, and effective" (§187). The new draft retains the first portion of the formulation, but relegates its definition to a Comment, where it is described, not as a rule of law, but as a United States position. While the draft does not reject the existing rule, and suggests no alternative to replace it, it creates uncertainty about the tenor of the applicable law, especially in the formulation of its comments and notes. To the contrary, in our view, events since the adoption of *Restatement (2d)* have reinforced the definition of required compensation set forth there, both as a rule of the foreign relations law of this country and as a generally applicable rule of international law.

The United States Government has consistently maintained that citizens whose property is expropriated by foreign governments are entitled to "prompt, adequate, and effective" compensation. There has been no deviation from this principal in United States practice in decades. Our adherence to it has continued regardless of the administration in power. All three branches of government—executive, legislative, and judicial—have taken a similar stand, to the extent that they have expressed themselves on the issue. When Congress has approached this question, it has applied the traditional standard, not only in the so-called Hickenlooper Amendments to the Foreign Assistance Act of 1961 (22 U.S.C. §2370(e)(1) and (e)(2)), but in other legislation involving U.S. participation in

multilateral development banks, as well. See e.g., 22 U.S.C. §§283r, 284j, 290g-8, and 19 U.S.C. §2462(b)(4)(D). The executive branch agencies responsible for the application of those statutes have consistently applied the standard. This Department has maintained that principle in its presentation and espousal of claims. To the extent that the courts of the United States have adjudicated such cases, when they come within an exception to the Act of State Doctrine, the results they have reached are likewise consistent with the traditional standard. On this basis, we conclude that United States law on this question is well established and unambiguous.

The continued validity of the traditional standard is equally clear as a matter of general international law. The rhetorical effect of non-binding resolutions of the United Nations General Assembly, adopted by a majority of newly emergent states, without the support of the countries which are host states to most of the foreign investment and the source for virtually all of it, in no way affects the general international legal standard that "prompt, adequate, and effective" compensation is required in case of expropriation.

No new standard has achieved the kind of consensus necessary for the establishment of a new norm of international law or the displacement of an old rule. The present draft, like the *Restatement (2d)*, recognizes the historic status of the "prompt, adequate, and effective" standard as the "traditional" rule of international law. Applying the rules of recognition of new standards of international law of section 102(2) of your draft, none of the proffered alternatives has achieved that degree of widespread and consistent support by state practice necessary for its recognition as a new rule of general international law. Nor has such widespread and consistent support for the negation of the traditional rule been established. The draft seems to suggest that a few states, by objecting to a recognized rule of international law, may displace it without meeting the standards for creation of a new rule. If this be the case, there can be no enduring international law, only temporary common interest.

The heavy reliance of the draft on the non-binding declarations and resolutions of the United Nations General Assembly in this context is particularly troublesome. Attachment 2 addresses this question in more detail. The General Assembly is not a legislative organ and its declarations are not international legislation in this context. The fact that most of the resolutions in question were adopted by the General Assembly over the dissent of a significant number of states with substantial interests demonstrates the absence of the necessary widespread and consistent practice. Even those resolutions which were adopted without vote, which have not received acceptance through state practice, have little claim to credence as true declarations of international law. As the distinguished arbitrator in the *Topco* case recognized, these resolutions are essentially political declarations, lacking the jurisprudential support necessary for them to become part of the body of international law. Indeed,

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many of the same developing nations which supported these declarations as political statements have, in their actual practice, signed bilateral investment treaties reaffirming their support for the traditional standard as a legal rule. (See Attachment 4.)

The emphasis in the establishment of new customary law should be on actual state practice, not the rhetorical posturing of debate. Two aspects of that practice illustrate the continuing vitality of the traditional standard for compensation: treaty practice and arbitral awards.

The state practice establishing a network of international treaties is discussed in Attachments 3 and 4. As you are aware, provisions controlling compensation in expropriations are contained in many bilateral Friendship, Commerce, and Navigation (FCN) treaties. In the case of the United States, many of these are with developing nations, as well as with developed nations. These treaties contain provisions calling for compensation in terms equivalent to the traditional standard, although there are slight drafting variations. Attachment 3 sets forth the relevant texts. The history of these agreements indicates that the parties recognized that they were thereby making explicit in the treaty language the customary rule of international law and reaffirming its effect.

Of more recent significance is the emergence of a new type of treaty, the Bilateral Investment Treaty (BIT). European nations, in particular, have negotiated a number of these treaties with developing nations. Attachment 4 contains a summary of more than 150 of these treaties and of their compensation provisions. These treaties reflect actual state practice applying the appropriate international standard for compensation. They reinforce the traditional standard. The United States is itself a participant in the Bilateral Investment Treaty process. Our own negotiation of such treaties, however, commenced only in late 1981; two have been signed, with Panama and Egypt. Each of them contains a rule for compensation consistent with the traditional standard which the draft *Restatement* questions.

Finally, international arbitral awards reinforce the application of the traditional standard as the governing rule of general international law. Distinguished international arbitrators have examined expropriation and related issues carefully. Although the linguistic formulation varies, in result they have rejected attempts to dilute the protection which international law affords to all.

The absence of a clear reaffirmation of the legal standard in the new draft is also contrary to broad international policy objectives. There is now an increasing recognition of the importance of private equity flows to developing countries as an essential part of their development. Private equity is particularly important at the present moment when there are severe limits on public and private funds to support such development. Failure to adhere to a clear standard will sti-

ple such investment by increasing the risk associated with it, with the result either of reducing its flow or of increasing the needed rate of earnings to cover the added risk. Neither is a desirable outcome.

The retreat from the recognized standards of international law in the draft *Restatement Revised* is thus inconsistent with the policy as well as with the law of the United States. I am writing on behalf of the Department of State to confirm that in our view a sufficient case has not been made to recognize such a change as a matter of law

nor would any such change be desirable as a matter of policy. Indeed, we believe that the experience of recent years generally supports the traditional standard rather than calling it into question.

Sincerely yours,

DAVIS R. ROBINSON

¹The attachments referred to in this letter are available from the Office of the Legal Adviser, Department of State, Washington, D.C. 20520. ■

Under Secretary Eagleburger's Interview on "Face the Nation"

Under Secretary for Political Affairs Lawrence S. Eagleburger was interviewed on CBS-TV's "Face the Nation" on May 1, 1983, by George Herman, CBS News and moderator; Henry Trewhitt, the Baltimore Sun; and Bill McLaughlin, CBS News.

Q. All of the reports that we see indicate more and more Soviet advisers not only in Syria but in the Syrian-occupied parts of Lebanon. What is this Soviet goal, do you think? What is their intention in putting so many of their people in these advanced areas where there is beginning to be a little danger; isn't there?

A. I think there is a great deal of danger involved in what the Soviets are doing now. It's much harder to give you a sensible explanation of what they are doing. I think probably the best explanation is that the Soviets realize that as a result of the Israeli attacks on the Syrians during the Lebanon war, the Syrians really took a clobbering and that this reflected very badly on Soviet supplies, Soviet military equipment, and, indeed, on the Syrians as a surrogate of the Soviets. I suspect that what has happened now is that, at least in part, the Soviets have decided that what they have to do is provide sufficient equipment to demonstrate to the Syrians and to the other Arab states, and particularly to the radical Arab states, that the Soviets still are players in the Middle East. So I suspect that that's the basic reason for it.

There may be something far more devious involved here, but whether there is another intention or not, I think the fact of the matter is, that with the Soviets putting all of these men and

equipment into the Middle East, and particularly into Syria, they create real dangers of an escalation which could become a serious confrontation between East and West. It's a very, very unwise step, in my view.

Q. In your first answer, talking about what the Russians are doing in arming the Syrians and so forth, I guess as Perry Mason would say, you opened the door. You said there may be something far more devious here. Since you opened this line of speculation, would you please dilate upon it?

A. My point, I guess, would be that whether the question, to some degree, has to be whether there is more to the Soviet deployment in Syria, particularly of the SAMs [surface-to-air missiles], than sort of the response I originally suggested. My own judgment is that it is basically as I suggested to you, but I suppose that you have to ask at the same time whether the Soviets intend some major increase in their presence in the Middle East; whether they intend this as an effort to block movement toward the peace settlement in the Middle East. It's that sort of thing that you have to at least consider. Don't get me wrong. I'm not saying that I think the Soviets are about to deploy in massive numbers. I think they have a sufficient number now that we have to be concerned, because obviously in that area conflict is always possible, and here are Soviet troops in the middle of an area where, in fact, there may be shooting. So we have to worry about that. Whether there is anything far more devious, some great strategic plan of

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major Soviet involvement in the Middle East or not, I can't say. I, myself, doubt it.

Q. Doesn't it follow automatically, however, that the Soviets, in fact, have dealt themselves back into the decisionmaking process in the Middle East, whether it was by accident, design, or whatever? You must take them into consideration in a way you have not in the past.

A. They have always been a factor in the Middle East and in the Middle East settlement. Nobody argues that. The fact of the matter also has been, however, that the Soviets were in no position to deliver anybody to the peace table. The view has always been, and I think rightly, that it is the United States, and the United States alone, of the superpowers that has any ability to bring the various parties together at the table. I think that is still true.

I wouldn't argue with you at all that the Soviets, particularly with these latest deployments, become a greater factor in the Middle East. I'm afraid that the fact of the matter is though, to the degree they are a greater factor, it is a negative factor and not one that leads toward bringing about a peace settlement. With all of that said, I am still absolutely convinced that the United States, working with the moderate Arabs, and the Israelis, can bring about a peace settlement, with or without the degree of Soviet involvement that we now see in Syria.

Q. You went to Beirut shortly after the tragedy there, the terrific loss of life at our Embassy in Beirut. A senior Israeli Defense Ministry official has charged that the Syrians and the Soviet Union were behind the bombing of the embassy. What do you know about who did it?

A. What we know—and I emphasize the word "know"—is virtually nothing. We have a number of intelligence reports, but they tend to contradict each other. My own personal view is that probably it's almost certain that it was an extremist group. Whether it was linked with Iran, or with the Syrians, at this point we can't say, and I'm not at all sure that we'll ever really know, but the intelligence at this point is mixed, at best.

Q. What do we know, if anything, about the rockets fired at the building wherein Secretary Shultz was staying?

A. I hate to burst your balloon, but I talked to the party in Jerusalem this morning, and I gather that that is a

grossly exaggerated story, that, in fact, there were no rockets fired at the residence. The Secretary did hear some noise. There were apparently a couple of explosions. They were some distance away, and they were related to some battling that was going on between various Lebanese groups and were not aimed at the Secretary himself.

Q. So the Secretary is safe, but will we need tougher security for our diplomats in Lebanon?

A. I'm glad you asked me the question. I suppose the answer, in the abstract, is yes. Unfortunately, for example, events such as Beirut tend to be catching. It's sort of like the cyanide in pills in the United States. One group does this, and then somebody else thinks it's a good idea.

But the point I think must be remembered, with all of that recognition, that we've got to do the best we can in terms of security is that an American Embassy is in the country to do business with the people of the government of that country, and we cannot become a fortress. We can't hide behind steel doors. If we do, we might as well not be there. So under any circumstances, there are always going to be risks, and those are risks that the Foreign Service, the CIA, the military, all of the people who are in an embassy have long since decided we have to take.

Q. But we can minimize those risks.

A. We can reduce it.

Q. How will we do that?

A. It depends, again, very much on the physical circumstances of any particular embassy. In the Beirut case, my own judgment, after having seen the place, is that unless you were to stop egress virtually completely, there was no way to protect that building against the sort of attack that took place. We will hopefully now build a new embassy; I'm sure we will build a new embassy in Lebanon. We will try to build it in a position that there is more land and so forth around it so that it's harder to get at it, but at the same time, it's going to have to be an embassy that people can come into and go out of. It depends very much on the physical circumstances of each embassy, and there is no simple way to give you a general answer to the question.

Q. Shouldn't we move out of that one? I mean, it's right by the seashore. It's right by—

A. Move out of which one?

Q. The ruined embassy.

A. There is no question. I think, again, myself, although I'm not an engineer, having looked at that building, we can never use it again.

Q. Isn't there a danger that the Secretary of State is going to come out of there, essentially, with nothing? Isn't this a terribly high-risk undertaking for him? Isn't there some danger that he's going to appear as a ghost of Henry Kissinger, wandering through the Middle East forever?

A. Again, being Secretary of State is, I suppose, partly a high-risk business, and I don't mean that facetiously. I mean it in the sense that I can't guarantee that he's going to come away with a settlement. I can tell you that it was our judgment that now was the time for him to go to the Middle East, that a failure to go now would have led to a deterioration in the situation and in the negotiations between the parties, and that this was the time in which the Secretary had to involve himself and the United States directly, a step beyond Phil Habib [Ambassador Philip C. Habib, special representative of the President to the Middle East], in trying to bring about a settlement, but I can't guarantee that a settlement will take place. I can only tell you that our judgment was, this was the time to try, and if he can't make it, we'll try again.

Q. Are you saying there are no costs involved in—

A. Oh, sure there are. There are costs in attempting and failing. Equally there are costs in not attempting at all. That's life, and it's a situation that the Secretary looked at carefully and decided he had to try.

Q. One other place where some people seem to think that the United States has put itself out on a limb, that the President and the Administration have put themselves out on a limb, with not too great a chance of being able to climb back off it, and that is, of course, Central America, propping up the El Salvador Government. Are we risking a lot there with small chance of success, moderate chance of success?

A. If there is the will in the American people and in the Congress, I think there is a chance—a real chance—of success. Not immediately—

Q. Not the question of whether the will is in the Salvadoran people?

A. Let me take a crack at this. I think there is not a choice, but a question of American will, and, clearly, also,

there is a question of Salvadoran will.

In a sense, if I may, I think you've asked the question the wrong way. I don't think we have any choice, frankly, personally, but to do what we can with regard to El Salvador and Central America in general. It is strategically far too important to us to permit it simply to continue to deteriorate. My own argument would be that, in fact, with regard to the social, political, and economic situation in El Salvador, there have been some major changes. We're not satisfied that it has gone far enough, but there have been major changes, and I think that those changes will continue, and they are for the better.

The question, I think, we fail to look at carefully is that we only have, I think, two choices. We have either to move ahead, to try to protect the Salvadorans, give them sufficient military assistance, to act as the President said, as a shield while they go about with our assistance and our encouragement, trying to build a democratic and economically viable society, or you get another Nicaragua, and I think those are the only two choices. I think it's time we spent a good bit more time looking at Nicaragua, because that's the alternative. There isn't some middle ground. The Nicaraguans have made it clear that what they are looking for is the export of their revolution, and in El Salvador we have only two choices, and I think those are the two.

Q. Again, the question of risk. Is there a danger that in trying to shape a democratic movement in Nicaragua that you wind up with a return of the Somocista government? Are you putting your overwhelming emphasis on the non-Somocista forces?

A. I want to hasten to make the point that that is largely a choice for the Nicaraguan people to make. Let me start with that. I don't think anybody in Nicaragua wants the return of the Somoza-type government. Nobody does. The fact of the matter is that a number of those who were with the Sandinistas in the revolution itself have now left the government and are in opposition to it. The fact of the matter is that to the degree there is upset, disquiet within Nicaragua, it is because of the Nicaraguan Government's policies. We certainly don't want to see a return to a Somoza-type government. As the President said in his speech this last week, we are not seeking the overthrow of the Nicaraguan Government. What we are trying to do is assure that the export of arms and revolution from Nicaragua to

its neighbors is prevented. That's our purpose: not to overthrow the government in Nicaragua itself.

Q. You began your career, or early on in your career you were an expert on Cuba. A Senate committee, down in Florida now, is hearing that Cuba used the 1980 Mariel boatlift to send in 7,000 spies to the United States, according to this testimony, plus Cuba, again, according to the testimony, is involved in drug trafficking in the United States. Does that square with anything you know?

A. I can't comment on the number of spies. I really, literally, don't know. Maybe there are others in the government that do; I don't. I think there is evidence that in that boatlift, they put some people into this country that we would rather not have here, for a number of different reasons. I think the evidence is really quite clear that there is major Cuban involvement in the drug traffic in this country.

Q. The Cuban Government?

A. My judgment of that is that the evidence is sufficient, in terms of the kinds of people who are involved, that I would find it very difficult to believe that the Cuban Government itself is not involved as well.

Q. How can we retaliate? How can we stop the Cuban Government from getting involved in this country with drugs?

A. Our alternatives are limited, and they basically run to doing everything we can to cut off the drug traffic into the United States, and that's a massive effort. It costs a great deal of money, and we're doing the best we can. But I don't think there is anything we can do in terms of some specific foreign policy initiative in Cuba. We're not trying to move drugs into Cuba, for example.

Q. Let me ask you a question which you raised earlier on, talking about El Salvador. We have the will and so forth, is what you said, in the United States to continue the struggle. I suspect that one of your jobs is to count noses in the Congress and to keep an eye on the passage of these bills for money and so forth. Do you have the votes? Do we have the will in that sense?

A. I think—and we will know more this week—it's important, first of all, to see the impact of the President's speech both on the Congress and on the body politic. As the President said, I don't think there is anybody in the Congress who wants to see a Marxist takeover in

Central America. There are differences, and legitimate differences, of view on how to approach it. I disagree with those who argue that there is this middle way somewhere or another. As I say, I think we are faced with two alternatives—doing what we're doing or seeing other Nicaraguans in Central America. This is a long answer to a short question, but, yes, I think we will, in the end, have the votes.

Q. I would like to take you to the arms control negotiations. Word is sort of beginning to get around that under some circumstances, the United States might be willing to forego the deployment in Western Europe of the Pershing rocket, which is, obviously, the most formidable, from the Soviet perspective, of those weapons that we propose to deploy in Western Europe. Would you be prepared to negotiate them away in Geneva in the context of those negotiations as they now stand, if the Soviet Union would cut back radically on its corresponding weapons?

A. I think the answer to that question has to be that our view is that if there are any deployments at all of our weapons into Western Europe, it has to be a mix of ground-launched cruise missiles and the Pershing II. It cannot be an either/or situation. If we're going to deploy at all, we will want to put in some of each.

As you know, the President's proposal and his continuing objective is that we don't deploy anything, any of those 572 warheads into Western Europe, and that what we want in return is that the Soviets withdraw their SS-20s, threes and fours, or fours and fives, excuse me. But if there are going to be deployments, I think we will want to see a mix of the two systems.

Q. But isn't there the possibility of cutting a deal at this point with the Soviet Union, or are we at a dead end on arms talks?

A. You're talking about in general now?

Q. In general.

A. On the INF [intermediate-range nuclear forces] talks, at this point the Soviets have shown absolutely no flexibility whatsoever. The President put forward a proposal more than a year ago. He modified that proposal about a month ago. We have seen nothing but negative response from the Soviets since then. The best I can tell you at this point is, we've got to keep working at it. We've got to keep banging at them and

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hope that as we get closer to the point of deployment—which is late this year—the Soviets will decide that it is better for them to reach an agreement than to see those deployments go forward.

Q. Aren't the Soviets having troubles of their own? This is May Day, and there seem to be disappearances from the Soviet leadership. Is there a power struggle you see going on which may affect the whole range of Soviet foreign relations?

A. Understanding the internal dynamics of the Soviet Politburo is like reading the entrails of sheep, and you kind of cross your fingers and hope you know what you're talking about. My own judgment on it is that, contrary to the very early assumptions that Mr. Andropov had quickly seized power and all the way down, I think it is probably clear now that while he is in control, it is not total control; that he's got to balance off some other interests and that it will be a time yet before we're absolutely confident of his total control over the system. But having said that, I don't want to imply from that that we are on the verge of some major blow-up or upset within the system of the Soviet Union.

Q. But does that lack of control imply that they will be somewhat paralyzed on something so important?

A. I think what it does imply is that they will have to do a great deal of consensus building, if I may, before they can take any major steps in one direction or another. As long as they follow basically the path of the past, it probably will not require a great deal of consensus building. But if they wanted to make any major shifts, I think that would require some time and some real work within the system.

Having said that, again, I don't want to imply that Andropov is a total cipher. He is not. He's bright; he's fast; he's tough; and I think we've seen that he is more in charge than Brezhnev was in the last months of his time.

Q. What you're suggesting is that we shouldn't look in the near future for any sort of movement on the part of the Soviet leadership that would imply either a movement forward, more expansionism in the world, or the important compromise, *vis a vis* the United States?

A. Again, I want to be careful about this. I would argue with you that the general Soviet approach over the last

several years has tended to be expansionist to begin with, so that I would be arguing that if they are going to continue previous policy, some of that, I think, we have to expect. Afghanistan, and so forth, will go on. But I think there has been a basic mistake to begin with, which is an assumption that Mr. Andropov, when he came into power, was somewhat different than his predecessors and his antecedents. Let's not forget that he ran the KGB for 16 years, and that's not a well-known philanthropic organization.

Q. When you answered the question about nuclear negotiations, you talked about the INF, the intermediate-range nuclear forces. How about the START talks—the strategic arms reduction talks? In brief, have START talks stopped?

A. No, the START talks haven't stopped, but they haven't moved very far forward either.

Q. Are they stuck, is what I'm really getting at?

A. "Stuck" is too strong a term. But my basic point has to be, to unstick them at this point, it seems to me, it's the Soviets that have got to move. The President has made a proposal for a major reduction in these very threatening systems, and at this point we have gotten no response whatsoever. There is a tendency in this country to say, "Well, if you haven't gotten a response from the Soviets, let's change our negotiating position." In fact, in one of the newspapers this morning on the INF talks, I noted that because the President made a proposal a month ago and the Soviets hadn't responded, it was time for us to change again. You can go through that for just so long, and in both cases, we have put proposals on the table, and the Soviets simply have not responded. At this point, I would have to say I am mildly pessimistic that there is any chance in the near future for any major move on START.

Q. The Soviets have been having a lot of bad luck recently with their spies—Italy, Great Britain, France, Australia, most recently Switzerland. What is going on here? Is there a deep throat, as in fact an Australian cabinet minister suggested?

A. First of all, it couldn't have happened to a better bunch. I don't know if there is a deep throat or not.

Q. If you did know, would you tell us?

A. If I did know, I wouldn't tell you, but I honestly don't know. There may be somebody in the system who's talking.

On the other hand, I think it's also important to remember that the Soviets do this in such massive proportions that after a while it isn't hard to find out and to see that they have got—in Paris 47 people, at least, were kicked out. They do it in such large numbers that I think you can assume, over time, it's likely to be found out.

Q. But why are we getting tough now? I mean, "we," let's say the entire Western alliance seems to be getting tough.

A. I wouldn't say that all of a sudden we're getting tough. I think, and this is interesting in relation to your question, it is clear that some of these things have been discovered as of late. I don't think there is any political motive that all of a sudden we're going to get tough. It is that they have been found out and kicked out.

Q. Mr. Webster [Director of the FBI] told us, sitting in that chair just a week or two ago, that they have been following these spies for a long time but that the decision was made that this was a good time to kick them out. That implies political, diplomatic, and other inputs.

A. You're talking about here in the United States?

Q. Yes.

A. I was talking much more about the major issue in Europe. With regard to those in the United States, Mr. Webster is correct.

Q. We talked about the Soviets moving in with the Syrians, being with Syrian forces in Lebanon. There are also American Marines in Lebanon. Just as a hypothetical question, what is the mission of the Marines if this shooting war starts again, involving the Syrians moving with their Russian advisers toward our lines? What do we do? How do we prevent unlimited war with the Americans facing Russians?

A. First of all, I'm not the Secretary of Defense, and those questions at some point have to be looked at by the military. The general point I would make is, first of all, let's not forget that the Marine unit in Lebanon—and I was there a week or so ago and saw them, and they are superb, but it's a small unit, and their purposes are clearly defined. They are not there to fight a war, and I would have to assume that they will carry out their mission. And the hypothetical that you suggest is one that I simply at this point couldn't answer. ■

A Time for Reason and Realism in the Middle East

by Kenneth W. Dam

Address before the World Affairs Council in St. Louis on April 11, 1983. Mr. Dam is Deputy Secretary of State.¹

Events over the weekend have demonstrated once again that, as Secretary of State Shultz said this morning, obtaining peace in the Middle East is a "tough, difficult . . . painstaking process." As you know, King Hussein of Jordan and Yasir Arafat arrived at an understanding on the King's entry into the peace process. Radical elements within the Palestine Liberation Organization (PLO) then imposed amendments that were not acceptable to King Hussein, not acceptable to King Fahd of Saudi Arabia, and not acceptable to us. King Hussein rejected those amendments because they provided no basis for Jordanian or Israeli entry into the negotiations. But King Hussein did not reject the President's September 1 peace initiative. He remains committed to the search for peace in the Middle East. That is what he told President Reagan in their phone conversation yesterday. The King asked us to proceed with that initiative. We intend to do precisely that.

The search for peace between Israel and its Arab neighbors has been one of the foremost preoccupations of American foreign policy since World War II. From the debates over the partition of Palestine, through the tenuous early years of Israel's existence, to the first glimmerings of peace nearly a decade ago, the Middle East conflict has absorbed the energies of 8 U.S. Presidents and 10 Secretaries of State.

The reasons for this continuous involvement in a problem halfway around the world are both moral and strategic.

- We Americans have a moral commitment to the security and well-being of the State of Israel.
- We have a parallel concern for our relations with our many friends in the Arab world.
- We need to preserve free access for the West to the strategic resources, markets, and waterways of the Persian Gulf.
- We need to ensure that unchecked local conflicts do not spread to surrounding areas and lead to a dangerous confrontation between the superpowers.

Resolution of the Arab-Israeli conflict will by no means guarantee our interests in the region or establish an era of tranquility and stability. The sources of conflict transcend the Arab-Israeli problem. The Soviet invasion of Afghanistan and the Iran-Iraq war are testimony to this fact. Nevertheless, the Arab-Israeli problem pits our friends against one another. Both sides look to the United States as the sole external power capable of helping them find an equitable solution.

After 35 years, peace still eludes the peoples of the Middle East. They have endured five major wars and numerous smaller conflicts. The wounds of the last conflict are still evident in Lebanon. With the exception of Egypt and Lebanon, the Arab states still have not come forward to negotiate their differences with Israel. Israel still must devote a higher percentage of its resources to defending its existence than any other country on Earth. And radicals in the PLO still retreat into the path of rejection and underscore this with violent acts: witness the weekend assassination of a PLO moderate in Portugal.

And yet the Middle East of today is vastly different from that of 1948 or 1967—or even of June 1982. Many

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fissures remain to be bridged. But Israel and its neighbors, thanks to unflagging American dedication, are closer to reconciliation today than at any time in Israel's history.

For the first two decades of Israel's existence, it was hemmed in on all sides. Its very existence was rejected by all its Arab neighbors. It had nothing with

which to bargain for peace. Then the 6-day war was forced on Israel by the imminent threat of unprovoked aggression. That war left Israel in occupation of Arab territory on three of its borders. It left the Arabs with a new reality to face. Seizing upon this new reality, the UN Security Council hammered out the formula of "territory for peace" enshrined in Resolution 242. That principle remains the basis for all our peacemaking efforts.

The euphoria of victory on one side, and the shame of defeat on the other, left a legacy of bitterness. That legacy produced not peace treaties but the three Arab "no's" of Khartoum: no negotiation, no recognition, no peace with Israel.

It was not until the fourth Arab-Israeli conflict in 1973 that the futility of war as a solution to the Middle East problem finally began to sink in. In Israel, the surprise attack and narrow brush with disaster demonstrated to many that in the absence of negotiated peace treaties, military superiority is no guarantee of peace and security. For Egypt, the lesson was that while Israel could be wounded, it could not be overcome by military force. Grievances would have to be resolved by negotiations. There followed a series of disengagement agreements, President Sadat's historic trip to Jerusalem, the Camp David accords, and finally the Egyptian-Israeli Peace Treaty.

Camp David offered a new approach to the Arab-Israeli problem. It combined resolution of bilateral problems between Egypt and Israel with a binding commitment to negotiate a comprehensive settlement. The first stage of the process has worked better than some expected. As long as Israel remains in conflict with the other Arab states, some tension between Egypt and Israel is inevitable. But the recent passage, almost without notice, of the Egyptian-Israeli treaty's fourth anniversary is a tribute to the extent to which peaceful relations are now taken for granted.

The second phase of the Camp David process—negotiations to establish transitional arrangements in the West Bank and Gaza prior to full peace—has not fared so well. The problems involved—legal, political, military, and emotional—are more complex than the bilateral issues worked out between Egypt and Israel. But even these problems could have been well on their way to resolution had the Palestinians taken

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up the challenge of seeking a peaceful resolution of the conflict. We should remember that the failure to realize the early promise of Resolution 242 led ultimately to the 1973 war. Similarly, the inability to show substantial progress on the Palestinian problem since 1979 was a contributing factor to the buildup of tensions in Lebanon and the outbreak of war there last June.

The analogy is not an altogether

It was not until the fourth Arab-Israeli conflict in 1973 that the futility of war as a solution to the Middle East problem finally began to sink in.

unhappy one, however. The 1973 war led to a negotiating process that culminated in President Sadat's eloquent call from the rostrum of Israel's Knesset: "The October war should be the last war." In short order there were face-to-face negotiations, peace, and normalization of relations between Egypt and Israel. Likewise, the war in Lebanon has resulted in face-to-face negotiations between Israel and Lebanon. Those negotiations must lead ultimately to permanent peace along their frontier and can lend momentum to the search for a broader peace.

The Lebanon Negotiations

Lebanon poses a critical test for American diplomacy. It affects Arab, Israeli, and Palestinian interests alike. Our objective is straightforward. We seek to restore Lebanese sovereignty and ensure Israeli security. These are not separate objectives. A stable, sovereign Lebanon and a secure Israel are two sides of the same coin. The threat to Israel's northern border has come not from the Lebanese people but from foreign forces that temporarily imposed an alien regime on Lebanese soil. It follows that a peaceful Lebanon, free of all foreign forces and sovereign over all its territory, will benefit Israel and Lebanon alike.

To achieve our objective, we and the responsible international community support a four-part strategy:

First, prompt and complete withdrawal of all external forces from Lebanon;

Second, agreement on effective security arrangements to prevent future attacks against Israel from Lebanese territory;

Third, strengthening the Lebanese Government and the Lebanese Armed Forces; and

Fourth, reestablishment of a Lebanese national consensus and reconstruction of the Lebanese economy.

The United States is moving now in support of the Lebanese Government to implement all four parts of this strategy. Our special envoys, Ambassadors Habib and Draper, are negotiating continuously to secure the immediate and complete withdrawal from Lebanon of all outside forces—Israeli, Syrian, and PLO. Lebanon is negotiating with each of these parties separately. Since no outside forces are likely to be withdrawn from Lebanon without assurance of the withdrawal of each of the others, the future of all three negotiations is inextricably linked.

In order to move the Israel-Lebanon negotiations forward, the Foreign Ministers of Lebanon and Israel recently came to Washington for talks with Secretary Shultz. In those talks we provided Foreign Minister Shamir with a number of concrete ideas for assuring Israeli security. The Government of Israel has found these proposals thought provoking and worthy of serious study. The proposals were designed to strengthen Israel's confidence that the Lebanese Armed Forces are ready and able to secure the south of Lebanon. We have stated our belief that the Lebanese Armed Forces must operate under a unified command structure, meaning that local militias and irregular forces, in south Lebanon as well as further north, must be absorbed within it. We have also stated our belief that close liaison and cooperation between Lebanon and Israel will be necessary to ensure the security of south Lebanon. And we have made known our firm conviction that Lebanon can only regain control over the south in the context of the full withdrawal of the Israeli Defense Forces.

We believe that the security measures now being considered by Lebanese, Israeli, and U.S. negotiators incorporate

the safeguards necessary to provide the people of northern Israel the security to which they are entitled. No security regime is perfect. But we will hold to our goal that south Lebanon never again becomes a base for aggression against Israel or a state-within-a-state.

In the period between the withdrawal of foreign forces from Lebanon and the Lebanese Government's consolidation of control over all its territory, agreed security arrangements will be necessary to supplement the capabilities of the Lebanese Armed Forces in the south. Our concern for stability in Lebanon, however, extends beyond the south. In this wider context, while we and our allies are working to rebuild the Lebanese Armed Forces, we have agreed to consider favorably the Lebanese Government's request that the United States join with Italy, France, Great Britain, and perhaps other nations in an expanded multinational force, if that appears necessary. The role, size, and areas of deployment of such an expanded force will have to be determined in the future.

To ensure that Lebanon will be able to take over full responsibility for its own security in the shortest possible time, the Administration has asked the Congress for a supplemental appropriation of \$251 million. This figure includes a \$100 million loan to Lebanon for new military equipment and \$1 million for military training. It is important that the Congress act promptly on this request.

A fully sovereign Lebanon and a secure Israel, however, cannot be achieved through political and military measures alone. The Lebanese people must have a chance to restore their once-dynamic economy. The Government of Lebanon must be able to rehabilitate and reconstruct public infrastructure vital to the national economy. The credibility of the Lebanese Government will depend as much on its ability to provide normal government services as it will on its ability to ensure internal stability and secure its borders. To this end, our supplemental appropriation includes a request for \$150 million for economic assistance to Lebanon.

Military security and economic rehabilitation are short-term mechanisms for bringing the Lebanon conflict to an end. National reconciliation in Lebanon and normal relations between Lebanon and its neighbors present the only long-term guarantees that Lebanon will never again pose a threat to international peace. Reconciliation will take

time and careful management. Its development is not served by undue caution, but neither can it survive overwhelming pressure. President Gemayel is engaged in a life-or-death struggle to forge anew the national consensus that once made Lebanon a model of democracy. He has our full support.

Lebanon is also engaged, through its negotiations with Israel, in defining an approach to normal relations. This is a key element in the negotiations. Israel wants and needs this guarantee for the future. Lebanon cannot give more than the requirements for domestic reconciliation will permit. The problem is difficult, but concrete progress has been made. Both sides have agreed that the state of war on their border must end. And both sides have agreed that the process of developing relations must continue beyond the agreement which secures the withdrawal of all foreign forces.

The September 1 Initiative

The Lebanon war and its aftermath have highlighted again the unique and indispensable role of the United States as the catalyst for peace in the Middle East. Only the United States has enough of the trust of all sides, the moral authority, and the material resources necessary to mediate successfully between Israelis and Arabs.

America's success in negotiating an end to the active hostilities in Lebanon last summer provided the context for President Reagan's historic peace initiative last September. The stage for this initiative was initially set at Camp David. But the Camp David agreement, as its formal title clearly states, is only a "framework for peace," not a blueprint. It set out the basic principles and guidelines along which a future solution to the Palestinian problem could be built. But uncertainty as to where the United States stood on the basic issues in the negotiations greatly impeded our efforts to broaden the negotiations to Jordanian and Palestinian representatives as envisaged at Camp David. Without their participation and endorsement, no agreement about the West Bank and Gaza, transitional or final, could have any moral or practical authority. It was to reduce that ambiguity and encourage wider support for the peace process that the September 1 initiative was launched.

The President's initiative is balanced and fair. It rejects the extreme positions of both parties. It is designed to bring about a just and lasting peace that will both recognize the legitimate rights of

the Palestinian people and, at the same time, assure the security of Israel. Those goals are not incompatible. Indeed, neither can be truly achieved in the absence of the other.

Let me review the seven essential points of the President's September 1 initiative.

First: "We base our approach squarely on the principle that the Arab-Israeli conflict should be resolved through negotiations involving an exchange of territory for peace. This exchange is enshrined in U.N. Security Council Resolution 242. . . ."

Second: ". . . the United States will oppose any proposal . . . that threatens the security of Israel. America's commitment to the security of Israel is ironclad."

Third: ". . . the United States will not support the establishment of an independent Palestinian state in the West Bank and Gaza, and we will not support annexation or permanent control by Israel."

Fourth: ". . . there must be a period of time during which the Palestinian inhabitants of the West Bank and Gaza will have full autonomy over their own affairs. . . . The purpose of this transition period is the peaceful . . . and orderly transfer of authority from Israel to the Palestinian inhabitants of the West Bank and Gaza."

The President's initiative is . . . designed to bring about a just and lasting peace that will both recognize the legitimate rights of the Palestinian people and, at the same time, assure the security of Israel. Those goals are not incompatible.

Fifth: "The United States will not support the use of any additional land for the purpose of settlements during the transition period. . . . Further settlement activity is in no way necessary for the security of Israel. . . ."

Sixth: ". . . self-government by the Palestinians of the West Bank and Gaza in association with Jordan offers the best chance for a durable, just, and lasting peace."

Seventh: ". . . Jerusalem must remain undivided, but its final status should be decided through negotiations" in the context of an overall Middle East settlement.

It is important to keep in mind that this initiative is not a "plan" to be imposed on the parties. Rather, the President has put forward a balanced set of positions that the United States is prepared to support in the course of negotiations. Let me underscore at this point something we have been making clear in all of our consultations. Because our positions are balanced, because they are fair, because they can point the way to a just solution, the President is committed to them as they are. They will not be changed. Those who seek a different solution must seek it at the negotiating table.

At the same time, we have pointed out to all parties that we cannot guarantee the outcome of the negotiating process on any specific issues. The negotiations, if they are to be successful, must be free to move in productive directions that cannot be foreseen in advance. Indeed, as the President said on September 1, once negotiations are joined we will support positions that seem to us fair and reasonable compromises and likely to promote a sound agreement. Both Israel and the Arab states thus have a major opportunity to shape the outcome of these negotiations, but the opportunity must be used creatively and soon.

We will not be sidetracked by the events of this weekend. We should not underestimate the importance of what has been achieved. A year ago significant elements in the Middle East still harbored the illusion that the Arab-Israeli dispute could be resolved by military means. Today Arab leaders are talking about *how*—not *whether*—to make peace with Israel.

We have witnessed in recent weeks the most intensive debate in Arab councils in 35 years as some Arab leaders seek a way out of the self-defeating cycle of violence which has brought so much misery to their peoples. We have lent our encouragement and vouchsafed our support for courageous decisions by Arab leaders.

King Hussein has already taken the lead in recognizing the opportunity afforded by the President's initiative for

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revitalizing the peace process. The radicals have given one answer. But the President's initiative is still alive and on the table. We will not permit radical elements to exercise a veto over the peace process. Rather, we will encourage the Palestinians to recognize that this is a unique moment which must be seized before it is lost.

The Arab debate is not over. The opportunity still exists for reason and realism to prevail. It is only at the negotiating table that a solution to the Palestinian problem in all its aspects can be found. And in our view, the best means for accomplishing that goal is President Reagan's initiative, based as it is on UN Security Council Resolution 242, which in turn is the bedrock foundation of the Camp David framework.

Conclusion

We are living today in one of the truly critical moments in the history of the Middle East. A conflict which remained frozen for almost two decades has been yielding—slowly, painfully, but steadily over the last 15 years—to the forces of reason and realism. After five wars, the Arab world faces a challenge it has repeatedly evaded: to achieve Palestinian rights through negotiations now that those rights are clearly unattainable through violence. This opportunity may not come again.

The moment to decide is now. In the absence of a courageous Arab decision to join the peace process, expansion of Israeli settlements on the West Bank could in the not-too-distant future render any such decision virtually irrelevant.

Arab governments still have an opportunity today to put the Arab-Israeli conflict behind them. Only in this way will they be positioned to face the multiple threats in the region which challenge their very survival. Only a forthright commitment by Jordan and representatives of the Palestinians to face-to-face negotiations can achieve this end.

If the Arabs decide wisely and soon, then it will be Israel's turn to face a historic challenge. It can choose the semblance of security that comes with control over an increasingly embittered Palestinian population. Or it can choose the real security that can only come with peace. I have little doubt that, when faced for the first time with a genuine choice between territory and peace, the people of Israel will choose peace.

¹Press release 103. ■

Bombing of U.S. Embassy in Beirut



A general view of the American Embassy in Beirut shows severe damage to the entire front portion of the 7-story building. In a preliminary survey, a Department survey team concluded that the building is no longer fit for use. On May 17, President Reagan forwarded to the Congress the Beirut emergency supplemental request which includes funds to obtain an interim office building and to complete construction of the building that was stopped during the 1976 civil war.

(Wide World photo)

On April 18, 1983, a bomb exploded in front of the U.S. Embassy in Beirut, killing 50 people (16 official U.S. personnel, 1 private U.S. citizen, and 33 Foreign Service national personnel) and injuring more than 100.

Following are remarks by President Reagan and Secretary Shultz (in Mexico City) on April 18, the President's remarks made at Andrews Air Force Base on April 23 at a ceremony honoring the victims, and Secretary Shultz's remarks in Cairo on April 26 at a memorial service for the victims.

PRESIDENT'S REMARKS, APR. 18, 1983¹

As you know, our Embassy in Beirut was the target this morning of a vicious, terrorist bombing. And this cowardly act has claimed a number of killed and wounded. It appears that there are some American casualties, but we don't know yet the exact number or the extent of injury.

In cooperation with the Lebanese authorities, we're still verifying the details and identifying the casualties. I commend Ambassador Robert Dillon and his dedicated staff who are carrying on under these traumatic circumstances in the finest tradition of our military and foreign services.

Just a few minutes ago, President Gemayel called me to convey, on behalf of the Lebanese people, his profound regret and sorrow with regard to this incident and asked me to relay the condolences on behalf of the people of Lebanon to the families of those victims. He also expressed his firm determination that we persevere in the search for peace in that region. And I told President Gemayel that I joined him in those sentiments. This criminal attack on a diplomatic establishment will not deter us from our goals of peace in the region. We will do what we know to be right.

Ambassadors Habib and Draper [Philip C. Habib, special representative of the President to the Middle East, and Morris Draper, special negotiator for Lebanon], who are presently in Beirut, will continue to press in negotiations for the earliest possible total withdrawal of all external forces.

We also remain committed to the recovery by the Lebanese Government of full sovereignty throughout all of its territory. The people of Lebanon must be given the chance to resume their efforts to lead a normal life free from violence without the presence of unauthorized foreign forces on their soil. And to this noble end, I rededicate the efforts of the United States.

SECRETARY'S STATEMENT, APR. 18, 1983²

I learned this morning of the terrible bombing tragedy at our Embassy in Beirut today with the greatest shock and horror.

Words alone cannot adequately express my total revulsion at this senseless and inhuman terrorist act, directed against our very dedicated and courageous staff—Lebanese as well as American—in Beirut. Ambassador Dillon, who pulled himself out of the rubble of his office, is directing rescue operations right now. He exemplifies the bravery, coolness, and clearheadedness that typifies the Foreign Service, and I am extremely proud of him and his excellent staff.

We do not yet know the casualty toll of this terrible act. My prayers and grief

go out to all those who might be involved and to their families. We are grateful for the concern expressed by President Gemayel and his government, all of whom are working extremely hard to help our people.

Let us rededicate ourselves to our battle against terrorism and violence; Lebanon has seen far too much of this already and it is long past time for peace and security to prevail.

PRESIDENT'S REMARKS, APR. 23, 1983³

There can be no sadder duty for one who holds the office I hold than to pay tribute to Americans who have given their lives in the service of their country. I extend also the condolences of ourselves and our people, through Ambassador Turk [Lebanese Government representative], to the families of our loyal Lebanese employees who perished in this tragic event along with their American colleagues.

You here today—the families of these honored dead—I want you to know I speak for all Americans when I say that we share your sorrow and offer you our heartfelt sympathy. We are in your debt and theirs. Your loved ones served their country with talent and energy, courage and commitment. With your sorrow you must feel at the same time a pride—pride in their dedication. And we, your fellow citizens, share in that, also.

These gallant Americans understood the danger they faced, and yet they went willingly to Beirut. And the dastardly deed, the act of unparalleled cowardice that took their lives, was an attack on all of us—on our way of life and on the values we hold dear. We would, indeed, fail them if we let that act deter us from carrying on their mission of brotherhood and peace.

And it is written, "Blessed be the peacemakers." And they truly were peacemakers. They knew the road they traveled was hard and fraught with peril. They walked that road with cool professionalism and a deep sense of purpose. They knew it firsthand how an afflicted mankind looks to us for help—with faith in our strength, our sense of justice, and our decency. And that is the America that your loved ones exemplified. Let our monument to their memory be a preservation of that America.

Let us here in their presence serve notice to the cowardly, skulking bar-

barians in the world that they will not have their way. Let us dedicate ourselves to the cause of those loved ones, the cause they served so nobly and for which they sacrificed their lives, a cause of peace on earth and justice for all mankind. We thank God for them, and God bless you.

SECRETARY'S REMARKS, APR. 26, 1983⁴

One week ago, all too many of our fellow workers—Lebanese and American—gave their lives in the service of the United States and the ideals for which we stand.

On Saturday evening, at Andrews Air Force Base just outside Washington, I stood by President Reagan's side as the caskets bearing the American dead were returned to their families and their homeland.

The tide of emotion is strong; anger at this murderous violence against innocent people, sorrow for the families bereaved, determination that the noble work in which our diplomats were engaged will go forward. And yet, beyond emotion in that Air Force hangar at Andrews was a profound reminder of our common humanity:

- Our deep feelings for the families who shed their tears and will miss the touch, the warmth, of loved ones;
- Our respect and appreciation for the Foreign Service family, for people who serve the United States around the world, often at hazard, always in the cause of peace and justice; and
- Our pride in our country that has such men and women in its service—a proud calling, a selfless calling.

As our representatives, our diplomats tend to our relationships around the world. They explain our society to others and in return convey the viewpoint of other governments and peoples to our own. In so doing, they foster America's goals of peace, well-being, and freedom.

All of us here today, whatever our nationality or religion, are bound by common devotion to the cause of peace. On behalf of those who fell in Beirut, we offer our prayers. In their honor and memory, we offer our pledge never to flag in pursuit of peace.

¹Text from Weekly Compilation of Presidential Documents of Apr. 25, 1983.

²Press release 110 of Apr. 19.

³Text from White House press release.

⁴Press release 129 of Apr. 27. ■

Secretary's Interview on the Middle East

On April 22, 1983, Secretary Shultz was interviewed by Meg Greenfield, editorial page editor of The Washington Post. The following text was published in the Post on April 24.

Q. First on the September 1 peace plan, is it dead as people keep writing and saying outside of government?

A. I don't think so. It seems to me that the desire, the need for peace is not dead. It's very much alive. There's a yearning for it. Every event that happens only emphasizes its importance, and, if that's your premise, then somewhere along the line you have to find your way to the parties in the region sitting down together and talking about it. That's the essence of the President's plan, the essence of the Camp David accords.

Within that framework you have to find your way to secure arrangements for Israel and some manner of recognizing the legitimate needs and aspirations of the Palestinian people. The President's plan does those things, and I think, therefore, that it must carry on. We expect to keep working on it.

Q. How do you get [Jordan's] King Hussein to join in the talks, after he has said he can't?

A. Obviously, it isn't easy, and there are plenty of problems. However, I think that we'll continue to work at all aspects of the problems. It does seem to me that there's a certain shock that has taken hold, as I read the cables from the various Arab capitals, in which people are saying to themselves, "Are we really going to pass this up? Maybe we can't afford to do that." I think it's well for them to talk among themselves and see if they aren't missing the boat.

Q. Do you think that Hussein would have made the statement he made if the Israelis and Lebanese had been able to work out a plan, an agreement, for the evacuation of Israeli troops? Do you think Lebanon is one of the principal problems for Hussein?

A. It's hard to say. It's something that's really impossible to make a categorical statement about. But I do have the distinct feeling that King

Hussein was ready to enter the peace process with the right kind of Palestinian delegation, and that at one point—the weekend before last I guess it was—he had the kind of arrangement with Mr. Arafat [Yasir Arafat, chairman, Palestine Liberation Organization (PLO) executive committee] that would have permitted him to do that—permitted him in the sense that he wouldn't have been undercut by Palestinians or his fellow Arabs.

If that's the case, then he was ready to go under the conditions that existed then, but the PLO wouldn't accept that agreement, and that's what brought about these statements.

Q. What agreement do you mean, between the—

A. It can't be called an agreement because it didn't finally hold, but, as I understand it, King Hussein and Mr. Arafat worked out an understanding of conditions that were acceptable to King Hussein and seemed to be reasonable, whereby King Hussein would enter the peace process or make a statement that he was ready to do that, and that he would have a Palestinian delegation that consisted of legitimate Palestinian people who could claim to be genuinely representative, but who were not members of the PLO.

Q. It was reported in the *Wall Street Journal*—Karen House's article—that President Reagan had assured the King that he wouldn't press him to join the talks until the Israelis had agreed to freeze the settlements. Is that the case, and is that still part of the problem, if it is?

A. I don't think it was part of the problem of the King's announcement, because in the President's September 1 speech, he said that it was his view that there should be a freeze on settlement activity. We have consistently continued to emphasize the importance of that because, after all, you're talking about a negotiation dealing with an area, and, if the area is being changed while you are in the process of negotiating or considering negotiating, it's tough to make that negotiation as meaningful as it otherwise might be.

The President has always had that position. What he said to King Hussein was that he would continue to advocate

that position, but if the King announces his readiness to enter the peace process, then we would press harder on the settlement activity. We'd have something to press with, so to speak, when you say to the Israelis, "Why don't you slow down or freeze the settlement activity so that we can have another Arab leader at the bargaining table?" They say, "Well, show me one."

If we were able to have this commitment, then it might be more reasonable to talk about this matter, and more effective. The King was told that we wouldn't press him to enter negotiations until something had been obtained. He might have decided to enter and make that his first point of discussion.

King Hussein was assured basically that the President would continue to maintain the position in the September 1 initiative, and we have told everybody that continuously—every Arab government that has tried to change the President's position, and, for that matter, Israeli questions about it. The President has maintained a steadfast position there, and fundamentally that's what he assured King Hussein he would do.

But I think there is a distinction here between a situation where there is no expressed willingness on the part of King Hussein or other Arab leaders to enter the peace process while there is still settlement activity, and a different situation where King Hussein says, "I'm ready to sit down and negotiate about these, and I've committed myself to do that, but before I actually sit down, I think there ought to be some action on this." Those are two different situations.

What the President said was, "If you enter the negotiation, say you're ready to enter the negotiation, I will not press you to actually sit down at the bargaining table unless we can find some form of freeze."

Of course, King Hussein might decide to sit down anyway and say, "The first thing I want to talk about is a settlement freeze." But we haven't gotten to that point.

Q. Is there anything that you expect you could get from the Israelis that King Hussein could in turn use to get the PLO back into this action in terms of either Lebanon or settlements?

A. I think the PLO people have to make up their own minds, and I don't think that we should be worrying about

thinking of additional things to induce them to change their behavior. The President has put a very forthcoming and imaginative program on the table which, when read with the full Camp David accords, the processes and commitments in them, give, I should think, a great sense of hope to Palestinian people, particularly those living in the West Bank and Gaza Strip. So that's enough.

I think that particularly people who aspire to lead a group like Palestinian people in the Middle East, and to represent the interests of those people as human beings, have to come forward at some stage of the game and influence their thinking.

Q. I believe you said at some point in your press conference that the PLO had forfeited its mandate to speak for the Palestinians. Who would be the Palestinians who could come forward in their place? Would they be West Bank Palestinians? How could that be brought about?

A. I've forgotten precisely what the words were that I used. I don't think I said "forfeited," but I did say if they are given leadership of a group and there's an opportunity for something constructive and they don't do it, it certainly calls into question whether or not they should continue to have that leadership.

I think that that's true. I used the words, "Use it or lose it." What other form of Palestinian representation there may be remains to be seen, but there are all sorts of possibilities.

Q. To bring in possibly West Bank officials or some other Palestinians, how would this be done or in what forum?

A. I have some ideas, but I think that it's critical to find the ideas that the Arabs will be comfortable with. Right now I think it's up to them to find those ideas and to find a way into this peace process.

Q. If we could go back to Lebanon for a moment, what is possible in the way of assuring or reassuring the Israelis that the apparently strengthened Syrian forces will abide by any Israeli-Lebanese agreement for the evacuation of foreign troops from Lebanon? How do you see that playing out?

A. The Syrians have said consistently that they will withdraw as Israel withdraws, assuming that the Government of Lebanon asks them to do so.

I'm sure the government will ask them to do so.

They seem to have changed their pitch here in the last week or so. Maybe that represents a sense on their part that perhaps there will be an Israeli-Lebanese agreement, and they'll then have their commitment called. But I think basically we are engaged in a process there where we first have to find the conditions under which Israel will withdraw, and I think those have to be conditions that are consistent with the sovereignty and dignity of Lebanon and provide adequate security for Israel so that we get genuine full withdrawal by Israel.

Once a satisfactory agreement is reached—assuming that it will be reached, and I think that it's possible all right—then we have to say to the Syrians, "All right, the Israelis have agreed to withdraw, now it's up to you," and try to work out some sort of schedule.

Q. Do the Russians have to be brought back more into the diplomacy in the Middle East now, given that heavy involvement with the Syrians?

A. I think Syria is, I presume, a sovereign nation and can make up its mind what it is going to do. But, from our standpoint, I think the first thing is to work on an agreement between Israel and Lebanon, and then on the basis of that agreement, call upon Syria and the PLO and others who are there to withdraw from Lebanese territory and get on with the job of reconstruction of Lebanon and reconciliation of Lebanon. There are plenty of problems for Lebanon to face, and we want to be helpful to Lebanon in that regard.

Q. It is feasible to you, then, that the Israelis themselves would reach an agreement with the Lebanese without guarantees of the Syrians or, for that matter, the PLO abiding by its terms.

A. I think that the agreement between Lebanon and Israel will deal with the relationship between those countries and the security arrangements in southern Lebanon.

I am sure also that the Israelis will condition their withdrawal on the withdrawal of the other occupying forces. So there is that much of a connection there.

Q. How would you characterize the state of our relations with the Israelis on these questions now? Are we pushing; do we need more

leverage; are we in disagreement on, let us say, things beyond the settlements and in the evacuation talks themselves?

A. I think the basic fact that makes an agreement between Lebanon and Israel very likely and desirable for both parties is that they agree on the essential ingredients. That is, they both want a secure southern Lebanon. Neither wants to see PLO terrorist groups reenter that country, and particularly that area. So it isn't as though they're at cross purposes. They have the same objective. That being the case, the construction of security arrangements is not a matter, you might say, of high principle or strategy or something like that. It's a question of working out in a kind of tactical way what those arrangements are, consistent with Lebanese sovereignty, and give assurance of security in the area. Both parties want it.

I think in that environment, we—and particularly in the person of Phil Habib and Morris Draper [Ambassador Philip C. Habib, special representative of the President to the Middle East, and Ambassador Morris Draper, special negotiator for Lebanon]—have been very helpful in trying to develop the modalities for that. As I have been talking with them and reviewing the situation regularly and talking with the Israelis and the Lebanese when they were here a few weeks ago, I think you can see a tremendous amount of accomplishment.

It isn't as though they're just at a dead end and haven't gotten anywhere. They have gotten a long distance, but they haven't quite reached the end of the road.

Q. On the settlements, and the idea of the freeze on the settlements, there doesn't seem to be any progress from our point of view, does there, toward that?

A. I can't see any, no.

Q. What can we do to encourage progress, or what leverage do we have?

A. I continue to feel that the great leverage involved is the leverage of potential peace. I felt that all along, and I felt that for years as I visited around in the area. It was that magical possibility that turned people on so much when President Sadat made his bold move.

I think that is the basic ingredient

and at the same time it's hard to exercise that ingredient until there is a visible willingness on the part of the Arab world personified by somebody, some country, to say I am ready to sit down and discuss peace with Israel.

King Hussein wants to do that. He has told us that, and he said so publicly. But he needs to have support in the Arab world to do so and to do so effectively.

Q. How do you account for Mr. Arafat's apparent change of mind, the collapse of the arrangement between him and the King?

A. I read all sorts of things about the PLO, but I don't have an answer for that question. I could speculate about it, but it wouldn't be particularly useful.

The basic fact is that there was a very reasonable proposition in front of him that could and eventually will result in a better life for Palestinians. Somehow in the processes of the organization called the PLO, they were not able to affirm that proposition. It's too bad. Why, exactly, I don't know.

Q. Do you read the bombing of the embassy in Beirut as having had any impact on the larger policies in the area, in terms of this settlement?

A. If anything, it makes us more determined. I suppose it raises the consciousness of everybody about the genuine security concerns that you must have in that area, although I think the bombing of an embassy or a building somewhere is something that could happen anywhere in the world. We've had lots of bomb scares around buildings in San Francisco. Actual bombs go off in lots of buildings in this country. It's a tragic affair, and it highlights these concerns. When you talk about the President, I think it makes him even more determined to press on and try to bring about a more peaceful environment.

I do think that there will be a genuinely more peaceful environment in Lebanon when the foreign forces leave because there are elements in the forces in the Syrian sector, PLO and Iranian elements, that are actively disrupting. When they leave the country, there will be a better control over the situation.

Q. Is it your analysis or understanding that the Iranian group that claimed responsibility for this was, in fact, the one who did it?

A. I am not aware that there is a smoking gun, so to speak, that has been identified. A group has claimed the credit, and the fact that they would use a word like that for the event is a commentary on them. But, at any rate, there are various other bits and pieces of circumstantial evidence that point in that direction, but there is no real hard proof.

Q. Talk a bit, if you will, about how you hope to gin things up on your trip, get things going again on the September 1 peace plan; what you hope to do.

A. I've been involved in lots of negotiations over a period of time. I just sort of get into them and try to see what seems reasonable and talk to people. That is about what I will do.

First, our emphasis will be in the trip on the Israeli-Lebanon negotiations in trying to get that settled, or as close to settlement as possible. Following that, of course, to follow on, if we have the opportunity, to get the conditions for Syria and PLO and other withdrawals as well.

At the same time, we will be working on the peace process but starting with the Camp David partners, so my first stop will be in Cairo. We will talk with the Egyptians, and we plan to have a meeting there of the ambassadors from the key countries involved. We'll have a good amount of time with them.

They're an extremely able group, very well informed. I expect to learn something from the discussions, and perhaps they'll all learn something from the interaction involved. Phil Habib will be there and Morrie Draper as well. We will sort of make our initial plan and go on from there to Israel and Lebanon.

I hope that as the time goes on I'll have an opportunity to visit Amman and Riyadh, but I think we have to concentrate first on—

Q. On this trip?

A. We have to concentrate first on the Camp David partners and on the Israeli-Lebanon arena. Of course, that also leads to Syria. And if we have something to talk with Syria about, namely, an agreement between Israel and Lebanon for Israeli withdrawal—

Q. You would go to Syria?

A. Then, we naturally want to take the next step and arrange for Syrian withdrawal. I think the way for me to think about this now is that I'm going to go to Cairo, and I'm going to talk to the Lebanese and the Israelis, and we are

interested in the evacuation of Lebanon. And, of course, we're interested in the peace process, but we'll start that way and we'll see how it unfolds and try to do sensible things as we go along.

Q. Do you intend to go to Jordan, or is that also contingent?

A. I would certainly hope very much to have a chance to visit with King Hussein and King Fahd [of Saudi Arabia] as well as Mr. Assad [of Syria]. But I think the priority has to be on getting the Lebanon situation straightened out.

Q. Are there any Palestinians, official or unofficial, leaders that you expect to be talking with.

A. No, I certainly have no plan to meet with anyone from the PLO, if that is what you're getting at.

Q. Informal meetings in the lobbies of hotels?

A. No meetings.

Q. There is a view that the Israelis, by being difficult about withdrawing from Lebanon or taking time and making more settlements in the West Bank, can in fact, prevent a peace plan that they find uncomfortable from getting anywhere. Do you have a thought about that?

A. I've heard that said a lot and read it in the papers. Against that you have to put the fact that a great deal of progress has been made in the negotiations with Lebanon. I personally have no doubt that the Israelis want to withdraw from Lebanon under the right circumstances. It's not that easy to find the right circumstances. It has certainly taken a lot longer than we expected or would like. But, nevertheless, I think that it's possible and do-able. That's one side of the equation.

On the settlements, I think it's a very important issue. It cuts in both directions. I know that the Israelis feel strongly that there was a time, before they were the occupying force, when the Jews were not welcomed to live in the West Bank, and so the settlements make a point.

I might note that in the President's plan it's very explicit that if the settlers want to stay in their settlement, they stay, but they would live under the jurisdiction of whatever is the jurisdiction of that territory. In the President's plan, it's perfectly consistent with Jews living in the West Bank. ■

Visit of Sultan of Oman



His Majesty Qaboos bin Said, Sultan of Oman, made a state visit to the United States April 11-15, 1983. While in Washington, D.C., April 12-15, he met with President Reagan and other government officials.

Following are remarks made by President Reagan and the Sultan at the arrival ceremony on April 12.¹

ARRIVAL CEREMONY, APR. 12, 1983²

President Reagan

Your Majesty, it's always a pleasure for me to meet good friends on behalf of the American people. But welcoming you, a courageous and admirable leader, is, indeed, an honor. I've read of your many accomplishments, your commitment to your people, and your dedication to your ideals. And I've looked forward to this day when we could meet face to face.

The American people are deeply impressed by what you've achieved. Since you assumed leadership, your country's progress—economically, socially, and politically—has established your reputation as a compassionate leader who can get things done. In an inspiring commitment to the long-run interest of your people, you've built a modern education system of which any country would be proud. Similarly, the level of health care available to your people is testimony to the humane character and businesslike efficiency of your leadership, and your building the infrastructure of a modern economy, fulfilling the prerequisites for progress for your people.

We're pleased that as your friends we were able to make some small, but we hope significant, contribution to your bold endeavors. In your 1980 National Day address, you put forth a goal to your people. You said, "Self-reliance is to be the keystone of all our plans for the future." With this as a guidepost, you have moved forward to diversify your economy. Now the people of Oman are able to rely on agriculture, mining, industry, fishing, and other commercial endeavors, in addition to oil, to support an acceptable quality of life. We applaud this farsighted approach and hope that we can continue to play a helpful role.

White House photo by Michael Evans

MIDDLE EAST

But, as you're keenly aware, peace and security are irreplaceable ingredients for progress. It is no secret that vital national interests motivate the United States in the Middle East. We and our allies depend on oil originating there, much of it moving close to your shores through the Straits of Hormuz. Yet, unlike another world power which encourages and exploits conflict, the United States sees its interests fulfilled in regional peace and stability. We are thus committed to work with those in the Middle East who need our help to secure peace and to deter outside aggression. To this end, we've made rapid progress in recent years, developing the capability of coming to the assistance of our friends, wherever they may be.

I'd like to take this opportunity to thank you for your support of our efforts to deter aggression. The brutality we've witnessed in Afghanistan—the attempt to suppress an entire population, the debasement of its religion and the use of chemical weapons and other crimes against civilization—suggests that our concerns are well founded.

In recent years you've made many laudable contributions to peace. We appreciate, for example, your continued support for peaceful accommodation between Israel, Egypt, and its other Arab neighbors. The United States remains morally committed to further progress in the direction of peace and security for all the peoples of the Middle East.

The plan I outlined on September 1 last year is still on the table. While there may be bumps along the way, we will not be deterred from our long-term objective, which is a broadbased settlement firmly grounded on UN Security Council Resolutions 242 and 338 and consistent with the Camp David framework.

As we speak now, radical elements are seeking to prevent an agreement which would permit King Hussein of Jordan to join the peace process. The choices facing the Palestinian leaders are clear—either the status quo and the continued frustration of their people's aspirations or a bold and courageous move to break the deadlock. For our part, we will not permit the forces of violence and terror to exercise a veto over the peace process.

Commenting about the conflicts surrounding Israel, you recently observed, "People now want to see the problem solved once and for all in every respect." That is certainly our desire. And I can assure you, we will spare no effort to put an end to the killing and to bring

this dreadful chapter in Middle East history to a conclusion acceptable to all sides. I look forward to discussing this problem and other important matters relating to Middle East peace with you today.

Lasting peace will come when individuals of good will, though in disagreement at times, work together to prevent conflict. We have followed with interest your own efforts to foster regional cooperation, particularly the improvement in your relations with South Yemen. We wish you continued success in your attempts to eliminate the causes of tension and instability in the gulf.

We're proud to be on your side in your quest for a better life for your people and your search for peace and stability. Relations between our two peoples have spanned a century and a half. I am confident that your visit today will serve to further strengthen the bonds between us. We're happy that you have come to visit. Welcome.

Sultan Qaboos

I greatly appreciate the warm and generous words with which you have welcomed me to your great country today. It gives me particular pleasure that this, my first state visit, should so happily coincide with the 150th anniversary of the establishment of those friendly relations which have remained constant between our two countries to the present day.

That these relations should have stood the test of time with constancy is hardly surprising, for our two peoples share common and deeply cherished traditions which lie at the very foundation of our national existence. Indeed, it was these profound beliefs in tolerance, justice, and determination to defend freedom and to uphold the sanctity of human rights which provided the great impulse which brought men from many parts of the world more than 200 years ago in a pilgrimage to this beautiful land to realize their dream of a new life and to found a nation which would enshrine those principles forever.

Over the years the United States of America has striven unceasingly to make this world a better place for humanity, but nothing you have achieved has surpassed the example of your steadfast championship of those principles often at great sacrifice and in the face of the most daunting obstacles. I and my people who have, ourselves, fought through many bitter years of struggle to maintain our country's

freedom—and will do so again should the need ever arise—are deeply conscious of this, for we know from our own experience that peace must go hand in hand with dignity and freedom; that life, if it is to be worth living, can only be founded on justice and respect for humanity and that these prizes are not easily won or preserved.

I believe that the world has never stood in greater need for these values than it does today. In recent years, the forces of aggression, intolerance, and lawless ambition have increasingly sought to impose their will on mankind. The world has had no respite from the continuing threat of instability.

Nowhere has this threat been more acutely felt than in our own region of the Middle East, where we and our brother states of the Gulf Cooperation Council have pledged ourselves to work together in the closest accord to safeguard our peoples and our ancient culture.

I welcome the constructive understanding your country is showing of the problems which confront our region. And I am convinced that the measures you have taken will greatly contribute to the maintenance of peace and security there. I also warmly commend the endeavors you have made to help bring about an honorable solution to the strategic Middle East situation, endeavors which, as you know, Oman has unswervingly supported. It is imperative that efforts to achieve this solution continue not only in the cause of common humanity but because so long as the present situation persists, then so long will it present a continuing threat to world peace and provide the opportunity for those forces which exploit the misery and dissension it perpetuates to further their own ambitions.

I am sure that my visit will not only serve as a reaffirmation of the cordial relationship that has for so long existed between our two countries but will further strengthen the mutual confidence and understanding upon which that relationship rests.

¹Texts from Weekly Compilation of Presidential Documents of Apr. 18, 1983.

²Held on the South Lawn of the White House, where the Sultan was accorded a formal welcome with full military honors. ■

FY 1984 Assistance Requests for Narcotics Control

by Dominick L. DiCarlo

Statement before the Senate Foreign Relations Committee on March 9, 1983. Mr. DiCarlo is Assistant Secretary for International Narcotics Matters.¹

The Bureau of International Narcotics Matters proposes an authorization of \$53 million for fiscal years 1984 and 1985. The Administration has asked the Congress for an appropriation in that amount for fiscal year 1984. Most of the proposed increase of \$13 million over the Administration's 1983 request of \$40 million represents the estimated costs of a substantial expansion of crop eradication programs we hope to negotiate this year. The 1984 request is \$16 million over the 1983 funding level established by Congress through continuing resolution.

GOALS AND OBJECTIVES

The Administration's goals and objectives in international narcotics control were declared in the Federal strategy that President Reagan endorsed October 5.

The Bureau's primary mission is to control the flow of illicit drugs from their sources to the United States. An estimated 90% of the illicit narcotics consumed in the United States are of foreign origin. The worldwide supply of marijuana, cocaine, heroin, and other drugs is so great and trafficking channels to the United States so diverse that major interdictions and even crop eradications, when achieved in only one or two producing areas, have caused only temporary declines in availability.

The Department's program strategy is, therefore, predicated on the ultimate objective of controlling production simultaneously in all key geographic sectors of illicit drugs exported to the United States, so that significant and lasting reductions in availability are achieved. We believe that preventing cultivation and destroying illicit narcotics at their source will ultimately prove to be the most effective means of reducing availability.

In keeping with that ultimate objective, the Bureau's first priority, in

negotiating bilateral agreements and in discussions on multilateral projects with international organizations which we fund, is on crop control—government bans on cultivation and production, enforced by manual or chemical crop eradication. Our second priority is on interdiction as close to the production source as possible and supported by other enforcement activities, and then on interdiction of drugs as they move from producing areas and through transit countries to the United States.

The major drug-producing and trafficking countries are parties to conventions which obligate them to control the production and distribution of illicit drugs. Our international strategy is based on encouraging and, where necessary, assisting these countries in meeting their responsibilities for reducing the cultivation, production, and trafficking in illicit drugs within their borders.

HIGHLIGHTS OF PROPOSED BUDGET

Our requested authorization supports a proposed budget for FY 1984 of \$53 million, an increase of \$13 million over the Administration's FY 1983 congressional request and \$16 million over the FY 1983 budget established by continuing resolution.

The increase consists primarily of proposed additional expenditures for crop eradication programs in South America. We hope that we can successfully negotiate agreements in FY 1983 to control coca production in Bolivia and marijuana and coca production in Colombia.

Proposed expenditures for Latin America are \$30 million, an increase of \$13 million over FY 1983 planned expenditures. The budget for East Asia is \$8.9 million, a proposed increase of \$1.3 million; the budget for Southwest Asia is \$4.7 million, a proposed increase of \$750,000.

These increases would raise expenditures for country programs by \$15 million from \$28 million in 1983 to \$43.7 million in FY 1984. The budget also includes \$2.6 million for international organizations; \$400,000 for demand

reduction; \$3.5 million for training; and \$2.9 million for program development and support.

Our responsibilities and programs include policy development; diplomatic initiatives; bilateral and multilateral assistance for crop control, interdiction, and related enforcement activities in producer and transit nations; development assistance; technical assistance for demand reduction; and training for foreign personnel in narcotics enforcement and related procedures.

LATIN AMERICAN REGIONAL STRATEGY

Latin America is the source of cocaine, the major source of marijuana, and the transshipment center for most of the illicit methaqualone entering the United States. Our FY 1984 request is based on our engaging in crop control programs in Colombia—the key marijuana producing country in the area—and in Bolivia and Peru—the two principal producers of illicit coca—while continuing our support of the successful Mexican eradication programs and selected interdiction projects. Our budget request also allows for support of an agreement to assist the Colombians in an expanded coca control program.

Country Programs

Particular attention is being focused on Colombia, which produces an estimated 86% of marijuana imports—79% of the U.S. supply—exports up to 75% of the cocaine consumed in the United States, and has been the major transit point for illicit methaqualone entering the United States. Our concerns about this production and trafficking in marijuana and cocaine were expressed by President Reagan during his Colombia trip in December. Our budget is predicated on Colombia undertaking a program for marijuana eradication while continuing and, hopefully, expanding its coca control program.

In 1981, the Colombian interdiction program supported by the Bureau seized 3,310 metric tons of marijuana, a 345% increase over 1980, and 66 million units of illicit methaqualone, a 380% increase. In 1982, Colombian officials seized another 3,409 metric tons of marijuana, 41 million units of methaqualone, and 881 kilograms of cocaine. The manual destruction program the Bureau supports resulted in the destruction of some 9 million marijuana plants and 29 million

NARCOTICS

coca plants during 1982. A new bilateral extradition treaty with Colombia is now in force, and a legal mutual assistance treaty is pending ratification by Colombia. Our request for FY 84 is \$8.9 million.

We are attempting to negotiate a plan for assisting Bolivia in a crop control program which could reduce its enormous coca cultivation to levels required for legitimate purposes. Our FY 1984 request is predicated on concluding and implementing such an agreement. Our funding, which was limited to \$240,000 in administrative support costs during FY 1982, was increased to \$900,000 in FY 1983 to start this program. We project that \$7.7 million is needed in FY 1984 for a major crop control and interdiction program.

We entered into an agreement with Peru on a coca control program in August 1981, concurrent with AID's [U.S. Agency for International Development] 5-year rural development program. We have expressed concern about delays in this project and were reassured by the Peruvian Government in January that the crop control program required by our agreement would be implemented in the Upper Huallaga Valley this year. The Bureau continues to support Peruvian narcotics enforcement agencies. Reports for 1982 indicate that seizures of cocaine and cocaine paste and base were down from 1981 levels but that the amount of dried coca leaf rose sharply from 26,781 kilograms to 85,454 kilograms, and that 178 jungle-based coca labs were captured compared to 53 in 1981. These reports indicate that the amount of leaf captured was equivalent to 850 kilograms of cocaine paste, a partial offset against the decline of 1,681 kilograms in cocaine paste seizures. We have budgeted \$4 million for Peru in FY 1984.

We are requesting \$8.5 million to support Mexican narcotic control programs. Mexico once supplied the bulk of the heroin imported into this country, but a U.S.-supported Mexican aerial eradication program substantially reduced heroin production from the high level of 6.5 tons in 1975 to an estimated 1.6 tons in 1981. From December 1981 to December 1982, the Mexican Government reported spraying 15,956 opium fields, totaling 943 hectares and 11,046 marijuana fields, totaling 788 hectares.

We have budgeted \$400,000 for support of Ecuador's interdiction program and \$650,000 for projects in the Latin American region.

The Department recently facilitated

cooperation between the Governments of Mexico and Belize which resulted in aerial eradication of marijuana in Belize. We also helped establish a new working relationship between the Government of Mexico and the U.S. Coast Guard.

The Secretary of State is a member of the South Florida task force and, while our primary assignment in task force directives is to pursue crop control agreements with Colombia, Bolivia, Peru, and Jamaica, the Department has undertaken a variety of programs in the Caribbean region. Our expenditures of approximately \$5 million in the 5 years ending in FY 1982 included funding for a project by Colombian Customs to interdict trafficking in the Caribbean, as well as a special project by the Colombian Navy for narcotics patrols in the Caribbean and Pacific.

We have provided small patrol vessels to the Government of the Bahamas to increase the mobility of its narcotics forces. We have also provided telex equipment and language instruction to facilitate cooperation by Bahamian police. We assisted the Haitian Navy in rejuvenating its fleet for narcotics patrols in the Windward Passage, a key route between Colombia and Florida. The Haitian Navy, which provides information on suspect ships to our Coast Guard, seized a boat carrying nine tons of marijuana in January. Our efforts in this region have also included cooperation with the Coast Guard on the establishment of a telex link between selected Caribbean and Central American countries and the Coast Guard for transmitting vessel tracking intelligence. We have provided a launch to the Turks and Caicos.

In Central America, we have provided some telecommunications equipment to Costa Rica; communications and laboratory equipment to the Panamanian National Guard; radios and vehicles to the Honduran police; and we will provide vehicles and other commodities to Belize to support future eradication programs.

We cooperate with governments on the development of local police and customs capabilities to enforce domestic narcotics laws by funding training of foreign enforcement personnel by the Drug Enforcement Agency and Customs. In just the past 2 years, 225 persons from Caribbean countries, as well as 233 persons from Central America and Mexico, received Bureau-funded training—20% of all foreign nationals receiving such training in these 2 fiscal years. In the past 5 years, a total

of 807 officials from this region have received Bureau-funded training, including 475 from the Caribbean and 332 from Central America—among them 53 officials from the Bahamas. Other units in the State and Justice Departments are actively exploring with various Caribbean countries mutual legal assistance and extradition treaties to strengthen bilateral cooperation on criminal law enforcement matters, including the sharing of financial information that is critically needed to deprive traffickers of their profits.

SOUTHWEST ASIAN NARCOTICS CONTROL STRATEGY

Afghanistan, Iran, and Pakistan are the principal sources of the opium from which over half of the heroin entering the United States is processed. For reasons not related to narcotics, we have not executed agreements with Iran or Afghanistan. Our regional strategy, therefore, centers on Pakistan as an opium producer, a heroin refiner, and a transshipment point for other Southwest Asian opium, and, on Turkey as a principal conduit of opiates moving from Southwest Asia to Western Europe and the United States.

Country Programs

In 1979, the Government of Pakistan banned the opium poppy. This ban is enforced in the "settled" areas, a term which describes those areas effectively under central government control. Government authority is being extended in the "merged" areas of the Northwest Frontier Province; the central government's authority is only partially operative in such areas at present. The merged areas account for about 80% of Pakistan opium production. However, in large "tribal" areas of the province, where about 20% of the opium is cultivated, government authority has been exercised through agreements which allow tribal leaders much local autonomy. The presence of over 2 million Afghan refugees adds to enforcement difficulties in Pakistan.

Several actions by the Pakistani Government are important. In 1982, the Pakistani Government eradicated opium poppy in the Buner area of the Northwest Frontier Province where a UN development project is operating—the first eradication effort in a merged area. In early 1982 the Government seized a

heroin laboratory in the tribal territory of the province—for the first time since 1978—overcoming armed tribal resistance. In December, tribal leaders directed the closing of another two dozen heroin laboratories in the Khyber Agency, after meetings with government officials.

During separate visits to the United States, President Zia and Governor Haq of the Northwest Frontier Province restated Pakistan's commitment to its opium poppy ban. Pakistan has agreed to enforce its ban on opium cultivation in areas where it receives development assistance. The Bureau's rural development project in the Malakand Agency is designed to encourage farmers to grow other crops and seek other income sources, and to provide infrastructure support.

The \$3.55 million requested for Pakistan in FY 1984 provides greater support for the reduction of poppy cultivation and for enforcement against heroin processing and trafficking. The rural development project in the Malakand Agency has been funded for its third and final year in FY 1984. It is expected that by FY 1984 AID will be in the implementation stage of a similar narcotics-related development project in another Northwest Frontier Province poppy growing area which will enhance efforts to enforce the poppy ban; the poppy control objectives of the AID project will be supported with Bureau enforcement assistance. Pakistan has also accepted restrictive "poppy clauses" which commit the government to keep AID general economic assistance project areas free of opium poppy. These clauses are assurances that opium cultivation and/or heroin processing will not be enhanced by U.S. economic assistance.

The Bureau continues commodity and training assistance to Pakistani narcotics enforcement agencies to upgrade their capabilities. A seizure of 396 kilos of heroin near Peshawar in December was the world's largest seizure of heroin and part of over 1,500 kilos seized by Pakistani authorities in 1982.

Turkey has demonstrated the will and the capability for effective opium poppy crop control and narcotics interdiction. Since the early 1970s, Turkey has prevented illicit diversions from its poppy cultivation. Our request for \$1 million provides funds for equipment and training for the Turkish National Police and the Jandarma to upgrade transportation, communications, and narcotics laboratory competence to combat drug trafficking—equipment and

training that cannot be fully supplied from Turkey's own resources. Both the Thai police, which is responsible for drug law enforcement in the urban areas, and the Jandarma, which has antismuggling responsibility throughout the country, have the skills and motivation to utilize effectively the assistance provided.

SOUTHEAST ASIAN REGIONAL STRATEGY

Southeast Asian heroin accounted for about 10% of the heroin entering the United States in 1981, according to the Drug Enforcement Administration. The Golden Triangle produced 600 tons of opium in the 1981 and 1982 crop years, after 2 years of drought. There is potential for Southeast Asian traffickers to attempt to recapture a greater share of the U.S. heroin market. The Department will, therefore, continue to emphasize its crop control objective in its discussions with these governments. However, for numerous reasons, our regional program must include interdiction and suppression of heroin laboratories as well as crop control. For example, we cannot operate a crop control program in Laos, most poppy growing areas of Burma are outside the government control, and location of heroin labs near the Thai-Burma border has made such interdiction operations successful.

We will continue enforcement assistance to help consolidate recent government, military, and police actions which have driven the major Golden Triangle heroin "warlord" from areas in Thailand along the Burma border and disrupted several of the heroin trafficking organizations. A sustained effort against the drug-supported warlords coupled with strict controls by governments in the area on chemicals used in heroin refining would advance the goal of disrupting and ultimately suppressing heroin production.

Country Programs

The Royal Thai Government has mounted sizeable military operations since January 1982 against the Shan United Army, the principal trafficking group on the Thai-Burmese border, and are continuing the pressure against it and other illicit drug trafficking groups with narcotics-targeted military companies permanently deployed in the area. These actions have disrupted trafficking and refining activities. The Government has also been effective in

reducing the availability of precursor chemicals used in converting opium to heroin, which contributed to reduced production of heroin and morphine base; however, these chemicals are increasingly available from other sources in the region. We will use diplomatic initiatives to encourage tighter controls on precursor chemicals throughout the region. We will continue to support crop control-related development assistance projects in Thailand when there is a concurrent Thai commitment to crop control. The \$680,000 in our budget will be available for ongoing and anticipated projects of this nature as well as to support the Thai crop assessment program. While the Thai Government has not enforced its opium poppy ban in areas which have received crop substitution assistance, it has promised to produce an opium poppy control strategy in early 1983. We have budgeted \$2.7 million for support of our projects in Thailand.

We will continue support for the Burmese Air Force's capability to airlift ground forces engaged in poppy eradication and interdiction operations and thereby contribute to Burma's goal of ultimate self-sufficiency in aviation maintenance. Our budget increase also provides for expanded training and for improved telecommunications. The Burmese Government reports increased crop destruction including areas where the Burmese Communist Party is involved in trafficking. We have budgeted \$5.8 million for support of Burmese projects.

DONOR COUNTRY INITIATIVE

The U.S. narcotics control strategy includes diplomatic initiatives to achieve greater participation by and program coordination with other governments. In recent months, the Bureau of International Narcotics Matters, with explicit support from Secretary Shultz, has been conducting discussions with Governments of Canada, Europe, and Japan to seek greater international narcotics control efforts from them, both bilaterally and through international organizations. We particularly want to coordinate U.S. narcotics control initiatives and our program assistance to producing and transit countries with those of European governments. For example, through the United Nations or bilaterally, the Federal Republic of Germany is participating in control programs in Pakistan and Turkey, the Norwegian Government is active in crop control in Burma, and Australia is active in

Thailand, Italy and Sweden have indicated interest in supporting development programs to achieve coca control.

U.S. drug enforcement agencies and our diplomatic missions maintain productive working relations with their European counterparts, which are improving as Europeans recognize the long-term implications of drug abuse on their societies. European governments are assigning greater numbers of narcotics enforcement advisers to their diplomatic missions in producing countries. Diplomatic and program assistance coordination with the Europeans continues to be conducted through international organizations, particularly organs of the United Nations. We are encouraged by increased attention being given the narcotics issue by some foreign ministries and political leaders.

INTERNATIONAL ORGANIZATIONS

Since its founding in 1971 with U.S. sponsorship, the UN Fund for Drug Abuse Control (UNFDAC) has been a vehicle for raising international consciousness about illicit drug issues and for implementation of crop control, enforcement, and demand reduction programs. The fund also brings the prestige of the United Nations to the issue of narcotics control. While UNFDAC projects complement U.S. programs in some countries, it has carried out projects in other areas when the United States could not because of political or other considerations. We have budgeted \$2.5 million as our contribution to UNFDAC in FY 1984. We are also budgeting \$75,000 for support of the Colombo Plan.

CONCLUSION

In sum, we are pursuing the Administration strategy of increasing crop control and interdiction in the source countries. The Bureau's requested authorization for FY 1984 and 1985 anticipated a continuation and expansion of crop control and interdiction efforts in major producing and transit countries. Our requested increase centers on the coca and marijuana threat from South America, while expanding our efforts to reduce the influx of heroin from Southwest and Southeast Asia.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S. Oceans Policy

PRESIDENT'S STATEMENT, MAR. 10, 1983¹

The United States has long been a leader in developing customary and conventional law of the sea. Our objectives have consistently been to provide a legal order that will, among other things, facilitate peaceful, international uses of the oceans and provide for equitable and effective management and conservation of marine resources. The United States also recognizes that all nations have an interest in these issues.

Last July I announced that the United States will not sign the UN Law of the Sea Convention that was opened for signature on December 10. We have taken this step because several major problems in the convention's deep seabed mining provisions are contrary to the interests and principles of industrialized nations and would not help attain the aspirations of developing countries.

The United States does not stand alone in those concerns. Some important allies and friends have not signed the convention. Even some signatory states have raised concerns about these problems.

However, the convention also contains provisions with respect to traditional uses of the oceans which generally confirm existing maritime law and practice and fairly balance the interests of all states.

Today I am announcing three decisions to promote and protect the oceans interests of the United States in a manner consistent with those fair and balanced results in the convention and international law.

First, the United States is prepared to accept and act in accordance with the balance of interests relating to traditional uses of the oceans—such as navigation and overflight. In this respect, the United States will recognize the rights of other states in the waters off their coasts, as reflected in the convention, so long as the rights and freedoms of the United States and others under international law are recognized by such coastal states.

Second, the United States will exercise and assert its navigation and overflight rights and freedoms on a worldwide basis in a manner that is consistent with the balance of interests

reflected in the convention. The United States will not, however, acquiesce in unilateral acts of other states designed to restrict the rights and freedoms of the international community in navigation and overflight and other related high seas uses.

Third, I am proclaiming today an exclusive economic zone in which the United States will exercise sovereign rights in living and nonliving resources within 200 nautical miles of its coast. This will provide U.S. jurisdiction for mineral resources out to 200 nautical miles that are not on the Continental Shelf. Recently discovered deposits there could be an important future source of strategic minerals.

Within this zone all nations will continue to enjoy the high seas rights and freedoms that are not resource related, including the freedoms of navigation and overflight. My proclamation does not change existing U.S. policies concerning the Continental Shelf, marine mammals, and fisheries, including highly migratory species of tuna which are not subject to U.S. jurisdiction. The United States will continue efforts to achieve international agreements for the effective management of these species. The proclamation also reinforces this government's policy of promoting the U.S. fishing industry.

While international law provides for a right of jurisdiction over marine scientific research within such a zone, the proclamation does not assert this right. I have elected not to do so because of the U.S. interest in encouraging marine scientific research and avoiding any unnecessary burdens. The United States will, nevertheless, recognize the right of other coastal states to exercise jurisdiction over marine scientific research within 200 nautical miles of their coasts, if that jurisdiction is exercised reasonably in a manner consistent with international law.

The exclusive economic zone established today will also enable the United States to take limited additional steps to protect the marine environment. In this connection, the United States will continue to work through the International Maritime Organization and other appropriate international organizations to develop uniform international measures for the protection of the marine environment while imposing no unreasonable burdens on commercial shipping.

The policy decisions I am announcing today will not affect the application of existing U.S. law concerning the high seas or existing authorities of any U.S. Government agency.

In addition to the above policy steps, the United States will continue to work with other countries to develop a regime, free of unnecessary political and economic restraints, for mining deep seabed minerals beyond national jurisdiction. Deep seabed mining remains a lawful exercise of the freedom of the high seas open to all nations. The United States will continue to allow its firms to explore for and, when the market permits, exploit these resources.

The Administration looks forward to working with the Congress on legislation to implement these new policies.

PROCLAMATION 5030, MAR. 10, 1983¹

WHEREAS, the Government of the United States of America desires to facilitate the wise development and use of the oceans consistent with international law;

WHEREAS, international law recognizes that, in a zone beyond its territory and adjacent to its territorial sea, known as the Exclusive Economic Zone, a coastal State may assert certain sovereign rights over natural resources and related jurisdiction; and

WHEREAS, the establishment of an Exclusive Economic Zone by the United States will advance the development of ocean resources and promote the protection of the marine environment, while not affecting other lawful uses of the zone, including the freedoms of navigation and overflight, by other States;

NOW, THEREFORE, I, RONALD REAGAN, by the authority vested in me as President by the Constitution and laws of the United States of America, do hereby proclaim the sovereign rights and jurisdiction of the United States of America and confirm also the rights and freedoms of all States within an Exclusive Economic Zone, as described herein.

The Exclusive Economic Zone of the United States is a zone contiguous to the territorial sea, including zones contiguous to the territorial sea of the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands (to the extent consistent with the Covenant and the United Nations Trusteeship Agreement), and United States overseas territories and possessions. The Exclusive Economic Zone extends to a distance 200 nautical miles from the baseline from which the breadth of the territorial sea is measured. In cases where the maritime boundary with a neighboring State remains to be determined, the boundary of the Exclusive Economic Zone shall be determined by the United States and other State concerned in accordance with equitable principles.

Within the Exclusive Economic Zone, the United States has, to the extent permitted by international law, (a) sovereign rights for the purpose of exploring, exploiting, conserving and managing natural resources, both living

and non-living, of the seabed and subsoil and the superjacent waters and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds; and (b) jurisdiction with regard to the establishment and use of artificial islands, and installations and structures having economic purposes, and the protection and preservation of the marine environment.

This Proclamation does not change existing United States policies concerning the continental shelf, marine mammals and fisheries, including highly migratory species of tuna which are not subject to United States jurisdiction and require international agreements for effective management.

The United States will exercise these sovereign rights and jurisdiction in accordance with the rules of international law.

Without prejudice to the sovereign rights and jurisdiction of the United States, the Exclusive Economic Zone remains an area beyond the territory and territorial sea of the United States in which all States enjoy the high seas freedoms of navigation, overflight, the laying of submarine cables and pipelines, and other internationally lawful uses of the sea.

IN WITNESS WHEREOF, I have hereunto set my hand this tenth day of March, in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and seventh.

RONALD REAGAN

¹Text from Weekly Compilation of Presidential Documents of Mar. 14, 1983. ■

Export Control of High Technology

by William Schneider, Jr.

*Statement before the subcommittee on International Finance and Monetary Policy of the Senate Committee on Banking, Housing, and Urban Affairs on March 2, 1983. Mr. Schneider is Under Secretary for Security Assistance, Science, and Technology.*¹

As part of your Subcommittee's review of the Export Administration Act of 1979, you have asked me to outline the Department of State's responsibilities under this act. I shall also describe some of our negotiations with our allies to strengthen the coordinating committee for Multilateral Security Export Controls (COCOM). I am particularly pleased to have this opportunity since the Administration has undertaken vigorous efforts in working with our allies to reduce the transfer of militarily significant technology and equipment to the Soviet Union and the Warsaw Pact.

We know that the development of sophisticated weapons is based on a myriad of advanced supporting technologies that are not innately restricted to military versus civilian applications. Consequently, it becomes increasingly more difficult to identify and control commercial transactions that can support military production and that could constitute a threat to our national security. This underscores the need for increasing Western efforts to develop stronger and more effective controls on

the transfer of technology from the West to the East. The U.S.S.R., for example, has relied on Western high-technology exports in its military buildup, and we know that Western technology has been a significant factor in the Soviet development of advanced missiles as well as in the advancement of industry that supports the Soviet war-making capability.

Current controls are based on the importance of advanced technology in military forces and its supporting industrial sectors and the existence, partly due to government-sponsored research and development and partly due to differences in industrial capabilities, of a technology gap between the United States and the Soviet Union. A technological gap in our favor is also a means of reducing the risk of technological surprise. Technological breakthroughs, given the current rate of technological change, is a real possibility and a real danger to our security in that a particular technological development could give the discoverer a decisive advantage. Consequently, one of the major means of preventing war is to avoid technological surprise.

How the Soviets Obtain Western Technology

The Soviets obtain Western technology illegally through their intelligence services using classical espionage as illustrated by the recent spy cases in Germany and Italy. They also evade export

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controls through diversion, retransfer, and dummy companies. One legal way technology is passed to the East is through a kind of buy-back project in which Western companies contract with Eastern states to export factory equipment and the plans for building the plant on credit. It is estimated that these projects involved an exchange of some \$10 billion between the East and the West in 1980. The West in return for its exports receives a share of the products as part payment. An example of this is the Siberian gas pipeline in which pipeline equipment is being bought from the West and the fuel is sold to Western Europe upon completion of the pipeline. The Kama River truck plant was built with the help of U.S. companies using Western technology and U.S. export licenses. The plant has been used to supply trucks for the transport of troops to Afghanistan and the support of Soviet conventional military needs.

Today, there continues to be a serious threat to our national security from Soviet technology piracy, in which an increasing one-way stream of U.S. technology is moving to the Soviet Union. Nearly all new technological developments have direct or indirect military application. The critical importance of our technology loss may be emphasized by the example of the Soviet intercontinental-range missiles achieving improved accuracy through better gyroscope systems. The Soviet gyroscopes were developed using precision bearings produced with advanced grinding machines obtained from the West in the 1970s. Other examples include: U.S.-developed laser optical mirrors with direct military application have been smuggled to the U.S.S.R.; advanced American computerized drafting equipment was diverted to the Soviets through a foreign corporation; the Soviets illegally acquired IBM 360 and 370 computers from the West in 1972. We have noted to our despair that the Soviet RYAD computer series uses the same repair manuals as the IBM computers.

The Soviet technological gains obtained through a carefully crafted acquisition program are providing them with:

- Significant savings in time and money in their military research and development programs;
- Rapid modernization of their defense industrial infrastructure;
- A closing of gaps between our weapons systems and theirs;

- The rapid development of neutralizing countermeasures to our own technological innovations; and
- A freezing of capital to be used in more direct military application.

Facts About COCOM

Before moving to our current negotiations with our allies, I would like to review a few facts about COCOM. The coordinating committee was established as a voluntary organization in 1950. Its present membership includes Japan and all the NATO countries, except Iceland and Spain, but it has no formal relationship to NATO or to any other organization. It is not based on any treaty or executive agreement. The members, therefore, have no legal obligation as such to participate in COCOM or to abide by commitments made there. On the other hand, over its more than three decades of existence, there have been only a few instances when a member nation has exercised its sovereign right to deviate from COCOM decisions. Many of the other member governments continue to make it clear to us that they attach considerable importance to maintaining COCOM's informal nature and the confidentiality of its proceedings.

All important COCOM decisions are made on the basis of unanimity, which is perhaps the basic reason for its durability. For example, no change in the COCOM list can be made, and no specific export of controlled items can be approved, if any member objects.

Traditionally, COCOM has had three major functions.

First is the establishment and updating of the lists of embargoed products and technologies. Although the COCOM lists are not published, they provide the basis for the national control lists administered by each of the member governments. There are three COCOM lists: a list of military items and technologies; an atomic energy list; and a list covering commodities and technologies which can have both military and civil applications. COCOM is now conducting a major review of these lists to insure that they reflect current strategic concerns. Such reviews are conducted about every 3 years.

Second, COCOM acts as the clearinghouse for individual requests submitted by the member governments to permit the shipment of specific embargoed items to the proscribed countries when the risk of diversion to military use is sufficiently small. The

proscribed countries for COCOM purposes are the Soviet Union, the other Warsaw Pact countries, Albania, the People's Republic of China, and the other Communist countries in Asia. COCOM reviews on an annual basis between 1,200 and 1,500 of these possible export transactions, rejecting those exports which are too risky.

Third, the committee serves as a means of coordinating the administration and enforcement activities of the member governments.

COCOM has a permanent secretariat which is located in Paris. Its staff is small—between 12 and 15 members—and its activities are generally confined to translation, transcription, interpretation, and the publication and distribution of documents.

The permanent U.S. delegates to the organization are State Department officers who, for administrative purposes, are attached to our delegation to the Organization for Economic Cooperation and Development (OECD). This delegation is augmented by scores of technical experts and other U.S.-based officials as needed for the negotiations in COCOM.

As part of this Administration's review of the transfer of sensitive technologies to the Soviet Union and the other Warsaw Pact countries, we have carefully examined the effectiveness of COCOM. We are confident that the national security controls coordinated through this organization have been useful in restricting exports of items for which license applications have been reviewed by COCOM governments.

Without COCOM, competition among Western exporters would have escalated the quality and quantity of technology sales to the Soviet Union and other Communist countries. On the other hand, it became evident during our review that over the years, the Soviet Union and the Warsaw Pact have obtained some equipment and technology of strategic and military importance from the West. This has occurred either through violations of the COCOM controls (i.e., illegal shipments of controlled items) or because such items have not been multilaterally controlled by COCOM at the time of acquisition. Through diversions or time lags, the multilateral system of export controls coordinated through COCOM, therefore, has not always met the challenge posed by the extensive efforts of the Soviet Union and the Warsaw Pact to obtain militarily sensitive equipment and

technologies. The Soviet efforts to obtain Western technology continue unabated as evidenced by the recent arrest in Germany of a Soviet trade official who is charged with trying to illegally gain Western, controlled electronic information.

Current Negotiations

The Administration has undertaken extensive efforts to deal with this serious problem. President Reagan raised the problem of Western technology transfer to the Soviet Union at the Ottawa summit in July 1981. These discussions culminated in a high-level meeting in Paris in January 1982, the first ministerial-level meeting in that organization since the late 1950s. We were greatly encouraged by the results of that meeting. The member governments confirmed the importance of the organization for their common security interests and agreed on a number of measures for improving its effectiveness. They agreed to strengthen and update the existing embargo lists, to explore harmonizing the licensing practices of the national governments, and to strengthen their enforcement operations.

During the past year, we have been working with our COCOM allies to follow up on these important agreements. I have already mentioned the current COCOM list review. For this exercise the United States has submitted over 100 proposals, most of which contain elements for strengthening the embargo. However, we are also proposing the deletion of noncritical equipment and technologies from the lists. This is in line with another recommendation of the high-level meeting. Since early October, the national delegations have been negotiating, on a near daily basis, on the technical details of these proposals. Although the confidentiality of the proceedings does not permit me to go into details in this open session, I can indicate that we have already obtained committee agreement to a number of key U.S. proposals and are very close to full accord on a number of others. However, many months of technical negotiations lie ahead, and it is likely that the list review will not be fully completed until the end of this year.

Perfecting an export control system is a long and difficult task. This is also evident from our continuing efforts to follow up on the harmonization of national licensing practices and enforcement activities. We are dealing with the

national administration of controls by 15 individual and sovereign nations, each with its own laws, regulations, and procedures. Our initiatives on harmonization reflect our concern that the differences in national licensing practices at times penalize U.S. firms competitively and can cause loopholes in the common embargo.

At U.S. initiative, last May a meeting of the COCOM Subcommittee on Export Controls was held to review a number of U.S. proposals for strengthening national enforcement activities and harmonizing licensing procedures. This advisory body, composed of national licensing and enforcement officials, agreed to a large number of recommendations which, if implemented by the national authorities, could result in significant improvements in the enforcement activities and a narrowing of the licensing differences of the individual governments. In the full COCOM, the United States is urging the other governments to follow up on a number of these recommendations concerning harmonization of licensing documentation. Furthermore, during this week we have two interagency teams in Europe holding bilateral discussions with our European allies on enforcement and harmonization issues.

One of the more serious problems COCOM faces in improving its effectiveness is the difficulty of controlling the export or reexport of commodities from non-COCOM countries to the Communist states. COCOM countries unfortunately do not constitute a monopoly in the market for all high-technology items. The Soviet Union and the other Warsaw Pact countries are aware of this and are occasionally able to obtain some equivalent high-technology products from non-COCOM sources. There is also a risk of the diversion of COCOM-controlled, COCOM-origin equipment and technologies through such third countries. The United States attempts to deal with this diversion problem in part by requiring licenses for reexports of the U.S.-origin embargoed products from third countries—a so-called extraterritorial action that has been the subject of some criticism. Our COCOM allies cite legal and administrative reasons for not having similar reexport licensing requirements. Nevertheless we have been urging them to institute other effective measures to deal with the problem of diversions from third countries. Furthermore the United States maintains a

dialogue with certain non-COCOM industrialized countries on the export control and diversions problems. I cannot go into details in this open hearing, but I am happy to report that during the past year, we have made considerable progress with several non-COCOM countries to deal with the problem of the diversion of U.S.-controlled commodities.

Before leaving the subject of COCOM, I would like to call your attention to the consensus we have reached with our major allies on the need to review together the security implications of various aspects of East-West economic relations. Two important elements of this review are to be carried out in COCOM. There is first the strengthening of COCOM itself. As I have outlined above, we have been working with our allies on this during the past year, and we hope to see further positive steps taken in the months ahead. Secondly, a review of other high technologies, including those with oil and gas applications which may have security implications for the West, is being initiated. In order for COCOM member nations to give timely policy-level guidance to their COCOM delegations in both of these broad areas of activity, we have proposed the scheduling of a second high-level COCOM meeting this spring.

Responsibilities Under the Export Administration Act

Let me move on to the Department of State's responsibilities under the Export Administration Act and other related laws and regulations. The Department's role and responsibilities in the export control area are based in part on the general responsibility of the Department for advising the President on the conduct of foreign policy and in part on specific legislative and executive directives, including the Export Administration Act of 1979, the Arms Export Control Act of 1976, and Executive Order 11958. They are also based on the fundamental relationship between export controls and our overall policy toward other nations.

The State Department plays a major role in the administration of three distinct types of export controls: (1) munitions, administered by State; (2) nuclear materials, administered by the Nuclear Regulatory Commission and the Department of Energy; and (3) other items administered by Commerce under

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the provisions of the Export Administration Act of 1979. I will limit my remarks to the third category since this is the subject of your hearing today.

National Security Controls

The Department of State participates actively in the formulation of U.S. national security export control policy and decisionmaking on the various interagency committees set up for this purpose. These include the Advisory Committee on Export Policy (ACEP) chaired by the Department of Commerce at the assistant secretary level, its working-level group—the operating committee—and its cabinet level body—the Export Administration Review Board. When policy issues go beyond the cabinet level review board, the Department of State participates in the National Security Council or whatever other White House review procedures may be involved.

Section 5(k) of the Export Administration Act of 1979 places the responsibility for conducting negotiations with other governments regarding security export control matters on the Secretary of State, who acts in consultation with the Secretary of Defense, the Secretary of Commerce, and the heads of other agencies. While State thus has the lead role in conducting negotiations in COCOM, I would like to emphasize that this is clearly an interagency activity. The conduct of our activities on COCOM and on other multilateral export control matters is coordinated primarily within the Economic Defense Advisory Committee (EDAC) structure.

EDAC is chaired by the Assistant Secretary of State for Economic and Business Affairs under the authority delegated to him by the Secretary of State. Its membership includes all agencies concerned with the administration of our export control program. Various interagency working groups within the EDAC structure are responsible for preparing U.S. positions for negotiating in COCOM and for reviewing the export cases submitted to that organization by the other COCOM member governments.

The broad interagency basis of our activities in COCOM is illustrated by our preparations for and the support of our list review negotiations. Under EDAC's general guidance, 11 technical task

groups composed of more than 100 technicians from many agencies, intelligence organizations, and military technical commands developed the U.S. list review proposals. Interagency teams are now in Paris working for Committee approval of those proposals. Another EDAC working group also coordinates the interagency review of information on alleged diversions of COCOM-controlled items and initiates diplomatic approaches to other governments on specific diversion cases.

During the past year, we have also established another interagency group to provide policy guidance and coordination in the field of technology transfer. This is the senior interagency group on the transfer of strategic technology, which I have the pleasure of chairing. In this group we attempt to provide a forum for policy determination to coordinate the ongoing work of the agencies and interagency organizations. One of the important functions of the group, as it has developed over the past 9 months, is the identification of problems and the tasking of activities to deal with them. For example, the senior group has commissioned a public awareness program and a number of intelligence assessments of technology diversion problems in specific areas and has encouraged increased attention to the improvement of U.S. extradition and legal assistance treaties with other countries to strengthen export control enforcement. It also initiated bilateral discussions with specific non-COCOM governments and a review of the training of U.S. officials involved in export control matters. I believe that this senior interagency group will continue to play an important role in our efforts to deal with the problem of the transfer of sensitive technologies to the Soviet Union and the Warsaw Pact.

Other Export Control Functions

Under the provisions of the Export Administration Act, the State Department also participates in a consultative capacity with regard to short supply export controls. The State Department's role

here is primarily to insure that adequate consideration is given to foreign policy factors as well as to our bilateral relations with other states.

Section 6 of the Export Administration Act of 1979 also gives the State Department a major consultative role with regard to foreign policy export controls. While export license issuance authority is with the Department of Commerce, the Secretary of State is provided the right to review any relevant export license application. The Department's role with regard to these foreign policy controls is highlighted by criteria described in the act, such as:

- "The probability that such controls will achieve the intended foreign policy purpose;"
- "The compatibility of the proposed controls with the foreign policy objectives of the United States, including the effort to counter international terrorism, and with overall United States policy toward the country which is the proposed target for the controls;"
- "The reaction of other countries to the imposition or expansion of such export controls by the United States;" and
- "The foreign policy consequences of not imposing controls."

In closing I would like to add that the Department of State personnel in U.S. Foreign Service posts abroad also provide operational assistance to other elements of the export control community in carrying out the purposes of the Export Administration Act. This includes providing information on overseas consignees and checking out the use to be made of exports from the United States and doing postlicensing checks as a precaution against diversions.

I hope that my brief remarks have given some insight into the many aspects of the Department's involvement in this complex area of export control.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S. Strategy in Central America

by Thomas O. Enders

Statement before the Subcommittee on Hemisphere Affairs of the House Foreign Affairs Committee on March 1, 1983. Ambassador Enders is Assistant Secretary for Inter-American Affairs.¹

With your permission, I should like to focus these oral remarks on our strategy in Central America. For 3 years now—and I include the last year of the previous Administration—the United States has been engaged in an effort to stop the advance of communism in Central America by doing what Americans instinctively do best—supporting democracy.

We may have started late, but we have made substantial progress. The reaffirmation of democracy in Costa Rica, the transition from military rule to elected civilian government in Honduras, and the launching of democracy in El Salvador with the successful elections last March prove that we are on the right course. Guatemala has also had time to set a new course, hand insurgents a sharp setback, limit human rights abuses, and bring into the government representatives of the highland Indian communities. Democracy, with free elections, free labor unions, freedom of religion, and respect for the integrity of the individual, is the clear choice of the overwhelming majority of Central Americans.

So the good news is that Marxist revolution is not inevitable in Central America. The bad news is that it cannot yet be ruled out. Despite its success in largely eliminating guerrilla political influence in populated areas, and despite improvements in military armaments and mobility, El Salvador's government has not yet turned the tide decisively against its armed opposition.

The military capability of the guerrillas—and I would like to stress military capability, for we are dealing not with peasant irregulars but with trained, even sometimes uniformed, military forces whose main units are as regular as if they had been conscripted into a national army—has kept progress in land reform and government moderation from being turned into the peace demanded by the people of El Salvador in last March's elections. One reason is that internal frictions and residues of past antidemocratic practices still hinder

the government's ability to provide security for all Salvadorans, particularly in outlying areas. But another has been the availability of training, tactical guidance, and military supplies coming into El Salvador from Nicaragua.

You've read in the press about guerrillas recovering rifles from government soldiers, and, indeed, some have been. But tons and tons of munitions are being flown in from Nicaragua. This external lifeline has not only fueled the current guerrilla offensive; it has kept alive the conviction of the most extreme among them that power will ultimately come from the barrels of their guns. Meanwhile the continuing resolution procedure has led to a level of U.S. security assistance for El Salvador for FY 1983 far below that of FY 1982 and below that requested for FY 1984.

That is manifestly not enough, particularly not enough at this critical moment in the struggle for democracy in El Salvador. A constitution is being written, presidential elections are being prepared, and a peace commission was named yesterday with the mandate of finding ways to bring as many Salvadorans as possible into the democratic process. There is never a good time for people whose freedom is under attack to run out of ammunition. But this is assuredly one of the worst. We must allocate new resources in the immediate future to enable the Government of El Salvador to check the guerrillas and consolidate its own forward momentum.

President Reagan and the leadership of this house, including you, Mr. Chairman [Michael D. Barnes], met yesterday to start a process of consultation to develop a solution that will have broad support. Let me take a minute to develop our thinking a bit further, and in a broader context.

Strategy Components

The strategy we are following in Central America has six components.

- The first component is economic assistance to offset in some measure the combined effects of guerrilla sabotage, political uncertainty, and the world recession. Democracies can cope with austerity, but the guerrillas are betting that economic anarchy and collapse would be too much. That is what their strategy of *guerra prolongada* is all about. We must demonstrate that we, too, can persevere.

- The second component of our policy is military assistance to prevent

the guerrillas in El Salvador from seizing power by force. No one thinks that the guerrillas have a big popular following. But they are capable of effective military operations. They are dangerous to hope as well as to life, property, and freedom. We must make certain that they do not prevail by default.

- The third component is political and economic reform and control of human rights abuses in El Salvador. Despite the guerrillas, a lot has been done here: 20% of the arable land redistributed, political violence reduced to perhaps a quarter of what it was, democratic institutions launched. It is critical to complete the job.

- The fourth component is the Caribbean Basin initiative. The people in the area need hope for a better economic future. The best way to do that is to assure them fair trading opportunities in the U.S. market. Passage of the full initiative is already overdue. We must act on this in the immediate future.

- The fifth component is to deter escalation. We have tried to tell Cuba and the U.S.S.R. that a very dangerous situation could arise if they were to introduce equipment or forces into Central America that could threaten neighboring countries, or us. We must work to limit the conflict and get the area out of East-West competition.

Democracy, with free elections, free labor unions, freedom of religion, and respect for the integrity of the individual, is the clear choice of the overwhelming majority of Central Americans.

- The sixth component is the search for a peaceful solution. That really has to be on a regional basis. We have made clear our support for a halt to the introduction into Central America of heavy offensive weapons. But how could you, for example, resolve the El Salvador problem as long as Nicaragua actively supports guerrilla warfare in El Salvador? And how could you get the area out of East-West competition, unless you can get the foreign military advisers—all of them—out of the area? A

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number of democratic countries laid out these principles in San Jose in October. And now a regional peace initiative, including all the countries of Central America, is being discussed. We are interested and wish it well.

This strategy can succeed in bringing peace back to Central America. But it will do so only if three conditions are met.

Conditions To Be Met

First, our own effort must be sustained. Too often in the last few years Central Americans have oscillated between two contradictory views: one, that we will support them no matter what they do, because the struggle is important in East-West terms; and the other, that we will withhold further assistance no matter how much they reform because we are an impatient people with no stomach for a long tough struggle. Both views are wrong. Our support is not indiscriminate, but neither will we cut and run just because a situation becomes difficult.

Second, our effort must be principled. We cannot abandon our conviction that legitimate political power can only be gained through competition at the ballot box in free, open, and orderly elections. There will be no stable solution without democracy.

Third, our effort must be cooperative. We joined with Mexico, Venezuela, Colombia, and Canada in the Caribbean Basin initiative, and with others at San Jose last October. We support a regional search for peace. Most important of all, we must listen to the Central Americans themselves and encourage them to take the lead in solving their own problems.

Major national interests of the United States are at stake. In El Salvador, if we allow a government that is reforming itself into a democracy—maybe not fast enough for our taste but, in fact, reforming—to be knocked off by guerrillas who don't have the people with them, then no government in the isthmus will be safe. Nicaragua's Cuban and Soviet-supported "revolution without frontiers" would spread. It would head south across Costa Rica, which has no army, toward the canal. It would head north, putting enormous pressure on Honduras and reviving the guerrilla war in Guatemala and moving toward the Mexican border. So the struggle would go on, but on battlefields where the stakes would be much higher.

We cannot permit that. We need a secure Panama Canal. Half our trade

goes through the Caribbean. The United States could not easily accommodate the hundreds of thousands or even millions of people who would flee a disintegrating Central America. We need strong and secure neighbors.

So progress in El Salvador is key to progress in the whole region. If democracy cannot be protected and extended there, the costs of doing so elsewhere will increase precipitously.

Our strategy to prevent a Marxist-Leninist outcome in Central America is political, not military. We have encouraged a process of social, economic, and political reform as the appropriate response to the guerrilla challenge. The military component is ancillary but essential to give the other components time to succeed. It is inconsistent with the logic of a political strategy to expect instantaneous results. We have been engaged in this task but 3 years—surely a short time in the agonized history of Central America. It would be a gross irony—and one cruelly indifferent to the democratic aspirations of the people of

El Salvador—to call for a fundamental shift in American policy, not when the reform effort is going badly—because it has not faltered—but when the military struggle appears not to be being "won" fast enough.

What you have in the current budget proposal is what at an earlier point in the budget process seemed needed to do the job. In dollar values, more than three-quarters of the assistance we have requested is economic, much of it in rapidly disbursable economic support funds. This emphasis on economic assistance is the right one. But we are less certain now that the amounts are enough. The immediate military resupply needs are real. This hearing and other contacts this week should help determine what is needed, where, and how to achieve the broad consensus necessary to sustain our effort.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Nicaragua: Threat to Peace in Central America

by Thomas O. Enders

Statement before the House Foreign Affairs Committee on April 14, 1983. Ambassador Enders is Assistant Secretary for Inter-American Affairs.¹

Since the Somoza government collapsed and the Sandinistas came to power, U.S. policy toward Nicaragua has focused on attempting to convince Nicaragua to:

- Renounce support for insurgency in neighboring countries;
- Abandon its pursuit of dominant military power in Central America; and
- Come to terms with its own society through the creation of democratic institutions.

In July 1979, the soon-to-be governing junta of Nicaragua pledged formally to the Organization of American States that its goals were democratic and peaceful. The United States, indeed, the entire international community, accepted this pledge and embarked on programs of peaceful reconstruction that typically included substantial appropriations of

assistance outside annual budget processes.

As the months passed, however, it became increasingly apparent that the Sandinistas saw themselves as the armed vanguard of an isthmus-wide movement.

Nicaragua's new regular army, the Ejercito Popular Sandinista (EPS), was founded in 1979. By the end of last year, according to its commander, it had grown to be "four times as big and eight times as strong" as Somoza's Guardia Nacional.² The EPS reached an estimated strength of 20,000, backed up by militias and reserves 80,000 strong. During that period Nicaragua received an estimated \$125 million of military equipment and supplies from the Soviet Union alone.³ It obtained by far the heaviest tanks in Central America, heavy artillery, antiaircraft weapons, assault helicopters, rocket launchers, and patrol boats. While military pilots and crews trained in Bulgaria and other East European locations, airfields were prepared for advanced jet fighters. More significant, large numbers of foreign military and security advisers were introduced. Currently, no less than 2,000 Cubans, 50 Soviets, 35 East Germans,

and 50 PLO [Palestine Liberation Organization] and Libyan personnel are estimated to be stationed in Nicaragua on security missions. That is roughly one foreign military adviser for every 1,000 Nicaraguans.

In 1980—just as in 1978, Castro had brought the three main Sandinista factions together in Havana—Cuban agents brought five guerrilla factions from El Salvador together in Managua, worked out a unity pact among them, then set up a joint command and control apparatus in the Managua area and organized logistic and training support on Nicaraguan soil. Since that time, the great bulk of the arms and munitions used by the insurgents in El Salvador have flowed through Nicaragua.⁴

Meanwhile the Sandinistas moved to assert a monopoly of power inside Nicaragua. Elections were ridiculed and postponed. One by one the elements of the broad anti-Somoza coalition were shorn off. The famous newspaper *La Prensa* was censored, independent radio and TV stations curbed, the labor unions intimidated, the private sector neutralized, the Catholic Church subjected to repeated provocation and attempts at division, the Miskitos and other Nicaraguan Indian minorities persecuted.

Nicaragua's southern border is 300 miles from the Panama Canal, separated only by Costa Rica, a democracy that for almost 35 years has had no army. Its northern border is 300 miles from Mexico. In between are two states, El Salvador and Guatemala, already torn by guerrilla violence, and Honduras, whose fledgling democracy is under daily pressure from Nicaragua.

It does not take very much imagination to understand how the Sandinistas' "revolution without frontiers" might spread, nor how its spread might affect our security. Half our trade flows through the Caribbean. And we depend on the stability of our neighbors to avoid what in certain circumstances could become an unprecedented flow of refugees northward to this country. Especially now, when a troubled world economy invites unrest, we must safeguard democracy and stability in our immediate neighborhood.

Cooperation With Nicaragua Fails

We have all seen predatory dictatorships of the right and the left: Germany under Hitler; the Soviet Union under Stalin and since. Yet, there is a school that attributes the expansionism of left-wing dictatorships to pressures from without.

According to this proposition, Soviet aggressiveness is but a reaction to the creation of a network of alliances around it, Castro was made a Communist by U.S. confrontation, and Vietnam was radicalized by foreign armies.

Whatever the merits or defects of these arguments, let me point out that the Nicaraguan case provides ample data to test the policy that usually flows from this proposition—that left-wing radicalization and aggressiveness can be prevented by the political support and economic assistance of the democracies.

Nicaragua is a country of some 2.5 million people. Since 1979 it has received from the democracies and multilateral agencies \$1.6 billion in economic assistance, or \$640 for every man, woman and child. The United States supplied \$125 million. Politically, such democratic states as Mexico and the parties belonging to the Socialist International have provided consistent support. Yet this same period marks the big buildup of the EPS, direct support for violence in El Salvador, and the consolidation of internal repression. It is clear that constructive engagement has not worked in Nicaragua.

So far, negotiation has not worked any better. There have been many efforts. Some continue to this day. I was involved in the first such effort, traveling to Managua in August 1981 to listen to Sandinista concerns. They told me that they remembered the U.S. Marine occupation in the first decades of the century, that they feared a U.S. invasion and thus needed a big army, and that we should understand that the Salvadoran guerrillas were important as a "shield" to protect Nicaragua.

So we said, OK, let's address your concerns. Let's enter into a bilateral nonaggression agreement. The United States could use its influence to encourage Nicaraguan exiles in this country to moderate their behavior, and the United States could renew its economic assistance. In return we asked the Sandinistas to stop training and supplying Salvadoran guerrillas, to give pluralism a chance in their own country—as they had promised to the OAS in 1979—and to limit their military buildup, perhaps through agreement with other Central American countries.

We made these proposals in writing. In October 1981, Managua formally rejected them as "sterile." At the same time, they lied about their ongoing arms supplies to the Salvadoran guerrillas and said they would never limit their military buildup.

A second attempt at negotiation occurred in the spring of 1982, this time at the suggestion of Mexican President Lopez Portillo. Once again we presented concrete proposals in writing, this time elaborated in eight points presented through our ambassador in Managua. Once again, there was no concrete response and no receptivity on issues. Nicaragua simply replied that, before it could respond there would have to be a meeting at a higher level in Mexico. This time, it seemed to us, the Sandinistas wanted to appear to negotiate without actually doing so.

We decided to try a third time. Under Costa Rican leadership, a group of democratic states got together in San Jose in October 1982 to work out a comprehensive set of peace proposals for Central America as a whole. Let me speak a moment about these proposals, because they continue to represent the essence of what we, like Nicaragua's democratic neighbors, are trying to do.

First, the San Jose group agreed the area should be freed from East-West competition. The way to do that, the democracies concluded, is to get all foreign military advisers and trainers out of Central America—Cuba's, the Soviet Union's, Bulgaria's, East Germany's, the PLO's, and ours.

Second, the Central American countries must find a way to live with each other without fear. To this end, the San Jose group proposed mutual and verifiable accords banning the import of heavy offensive weapons, renouncing the support for insurgency on neighbors' territory, and providing for international surveillance of frontiers.

Third, each Central American country must find a way to establish democratic institutions, open to opposition elements. Central American democrats, led by Costa Rica, are particularly clear on the need for democratization. Only in this way could they be confident they will not have to face sometime in the future an aggressive neighbor unconstrained by the limits democracy imposes.

Representing the San Jose group, Costa Rica attempted to contact Nicaragua to ask whether it would enter into a dialogue on these principles. The Sandinistas refused even to receive the proposal, arguing that they had not participated in its formulation, and so were not bound to address it.

So a fourth attempt at negotiations is now being made. In January 1983, Mexico, Colombia, Venezuela, and Panama met on the island of Contadora

to propose an effort at mediation of Central America's conflict. Honduras, Costa Rica, and El Salvador responded by proposing that the five Central American countries—including Nicaragua—meet in the presence of the Contadora group. This would enable Nicaragua to take part in developing the proposals, as it had not in San Jose. And, to maximize the chances that Nicaragua would participate, they suggested that the United States not be present. That would also take care of charges that the conference would be U.S.-dominated.

But still Nicaragua was not receptive. Instead, it went to the UN Security Council, claiming that it wants to meet bilaterally with the United States and with Honduras, not regionally. In effect, Nicaragua is saying it wants to discuss Nicaragua's charges against Honduras and the United States—but not its neighbors' concerns about Nicaragua's militarization, dictatorship, and intervention in El Salvador.

I have described this history at some length to give you some idea of the extraordinary difficulty of dealing with the Sandinista leadership. The Sandinistas have made their contempt for genuine dialogue—for real negotiations—quite clear. A month ago, we all saw them interrupt the Pope in a calculated attempt at intimidation—and the Sandinistas followed this up by banning broadcasts of Easter services. Last week, Interior Minister Tomas Borge, in an interview for Cuban television, stressed the subjects his country would not negotiate: Nicaragua, he said, would not discuss the principles of the Sandinista revolution; it would not enter into a dialogue about the overall Central American situation; and it would not talk about "counterrevolutionaries." He might have added that the Sandinistas are afraid to deal with these issues in any kind of open way—either with their own people or with Nicaragua's increasingly concerned neighbors. So it is sad, rather than surprising, that Borge tells his Cuban TV audience that the proposed meeting of Central American Foreign Ministers is "diplomatic demagoguery."

Despite this record, we are not going to give up. The Sandinistas are obviously not yet persuaded that they have to negotiate on substance with either their neighbors or their internal critics. Perhaps they still think that if they bob and weave enough, something will change—that the United States will end or weaken its support for democratic governments in Costa Rica, El Salvador,

and Honduras—and that the way will again be open for the "revolution without frontiers." We must convince them that is not the case, that the United States will not abandon its friends in Central America. At the same time, we must go on probing, proposing ways to think that overcome the old objections—until the Sandinistas tell us they are ready to move to a fair and equitable dialogue.

The Anti-Sandinista Insurgency

Meanwhile, Nicaraguans have taken matters into their own hands. The Sandinistas have begun to reap the consequences of their abandonment of the original goals of the Nicaraguan revolution. Sandinista intransigence has sparked an insurgency that the Sandinistas themselves claim is a threat. Several thousand guerrillas are now active in Nicaragua. Disillusioned Miskito Indians operate in much of their homeland in the Atlantic lowlands. In the eastern and northern border departments of Jinotega, Nueva Segovia, Madriz, Esteli, and Zelaya, significant insurgent forces are attacking government outposts and ambushing military convoys. Guerrilla activity is reported in the central coffee-growing province of Matagalpa. This month, for the first time, armed dissidence has been reported in the south. Wherever the opposition groups show up, they seem to attract local support, and their numbers grow.

In light of recent allegations in the media, you will ask me right off whether this insurgency has been created or supported by the United States. No American administration has ever discussed this kind of allegation—other than in the Senate and House committees created expressly for the purpose—and this one will not break precedent. But I will describe the Nicaraguan opposition movements; it should be clear to you that it has appeared and expanded in response to deep grievances against the Sandinistas.

Who are the people challenging Managua's ideologues? What do they want? From what we know, there are two major groups. Both are Nicaraguan to the core.

Frente Democratico Nacional. One, the larger, is the Frente Democratico Nacional (FDN). Although its main strength is inside Nicaragua, Sandinista repression has driven most of its leaders to Honduras and Costa Rica. The FDN's directorate is made up of Lucia Salazar,

the widow of Jorge Salazar, an anti-Somoza businessman murdered by the Sandinistas in 1980; Alfonso Callejas, a former vice-president of Nicaragua who broke cleanly with Somoza in a 1978 attempt to oust Somoza; Edgar Chamorro, an apolitical private sector leader; Indalecio Rodriguez, former vice-rector of the Central American University (UCA); Enrique Bermudez, a former National Guard colonel whom Somoza removed from Nicaragua by sending him as military attache to Washington from 1975 to 1979 (and whom the Sandinistas themselves have acknowledged played no part in Somoza regime repression); Marco Zeledon, a respected private sector leader with no ties to the Somozas; and Adolfo Calero, a life-long opponent of the Somozas who was jailed by Somoza in 1978. They have publicly stated that their objective is to bring democracy to Nicaragua, not a return to Somocismo. In sociological terms, FDN leaders represent members of the professions and teachers, plus small businessmen and farmers. Their followers include disaffected peasants, former small farmers, Miskito Indians, and other groups displaced or simply repressed by Managua's ideologues. We estimate that the FDN's ranks include over a thousand guerrillas. Former National Guardsmen—mostly noncommissioned officers—lead many of these guerrilla units, but most of the members are peasants and former small farmers.

FDN pronouncements repudiate the Somoza past and affirm the nationalistic and patriotic principles of Sandino. As I am sure the committee is aware, the FDN proposed a peace plan on January 13, 1983, in which they offered to cease hostilities if among other points, the Government of Nicaragua held internationally supervised elections by September 1983, revoked the state of siege in Nicaragua, and separated public administration from partisan political and ideological activities.

Alianza Revolucionaria Democrática. The second major group, led by the anti-Somoza hero Eden Pastora, is ARDE—the Alianza Revolucionaria Democrática. ARDE's leaders include such well-known figures as former post-Somoza junta leader Alfonso Robelo, Miskito Indian leader Brooklyn Rivera, and former anti-Somoza fighter Fernando "Negro" Chamorro. Pastora, who was the original Sandinista Vice Minister of Defense, has repeatedly denounced the revolution's betrayal, which he argues was motivated by Cuban agents enforcing a sellout to the Soviet Union. "There

can be no peace in Nicaragua," Pastora argues, "as long as the slaughter of the Miskitos, Sumus, and Ramas continues, as long as there is no freedom of the press, and as long as the occupation by Cuban, German, Soviet and Bulgarian troops continues." ARDE's February 2 peace proposal calls for elections of a constituent assembly by June 1983 to fulfill the promise of the Sandinista revolution.

Caught off balance by the scope of the opposition it has brought upon itself, the Nicaraguan Government has sought to discredit its opponents as "Somocistas"—attempting to associate them with the crimes of the former government. The Sandinistas' current propaganda plan—we have seen the March 24 FSLN [Sandinista National Liberation Front] memorandum—instructs its political cadres to blame "U.S. imperialism" for the country's problems, to smear Adolfo Calero, a Democratic Conservative Party leader with whom they have negotiated, and Alfonso Robelo, a former member of their own junta, as "traitors" and to portray opposition as aimed against Nicaragua rather than against its current rulers.

The Sandinista tactic is to assert that the only alternative to what they've created is "Somocismo." Nothing could be more simplistic or more false. "Somocismo" was a highly personal traditional dictatorship that died with Somoza. It could not be recreated even if one wished to do so. The Sandinistas know that most Nicaraguans want democracy, peace, and an end to Cuban influence. Indeed, that is the program promised the Nicaraguan people in 1979. And that is the program the Sandinistas are today always trying to sweep under the rug they call "Somocismo." The Nicaraguan people remember their history. So should we.

The Regional Question

It is not clear what the course of the struggle in Nicaragua will be. What is certain is that, as long as Nicaragua forces legitimate dissent at home to follow violent means and persists in threatening and destabilizing its neighbors, it will never be stable, nor will Central America.

It is conceivable that Cuba or the Soviet Union could be tempted to escalate the conflict, introducing modern fighter aircraft or even Cuban combat troops. Clearly, a dangerous situation would then develop, unacceptable not only to Central America but to the American nations as a whole. We have

communicated to Moscow and Havana how dangerous such a move would be. It is also conceivable that, in an effort to distract attention from their internal problems, the Sandinistas might lash out at their neighbors, attacking Costa Rica or Honduras. For over a year, Managua has already been running terrorist operations in San Jose and infiltrating guerrillas into northern Costa Rican provinces. And there have been frequent border incidents with Honduras. Although journalists who have visited the area report no activity on the Honduran side, Nicaragua has recently reinforced military units on the border. Again, I believe the Sandinistas understand that they could not gain by attacking their neighbors. It is also important to stress that every resource of inter-American diplomacy, including, of course, that of this country, would be available to prevent such an outburst.

Conclusion

But there is a better way. It is through dialogue and negotiation. We ask the Sandinistas to think of the Nicaraguan people. Despite all that foreign aid, Nicaraguans in cities and countryside are much less well off than before the revolution. They resent the pressures on their churches and their clergy. They distrust and dislike the Sandinista monopoly of power—they have lived under such a system before.

We ask the Sandinistas to consider the insurgency in their own country. Despite (or is it because?) the presence of all those armed Cubans, popular resistance is spreading. They may conclude that the dialogue they have so many times spurned is preferable to widening civil strife.

We ask the Sandinistas to consider the insurgency they are supporting in El Salvador. If it has legitimate grievances, let them be pursued through democratic institutions. The international community is willing and able to provide security and other guarantees for elections as the answer there as well.

Each element of the Central American problem is related to the other. No amount of land reform, or open elections, or improvement in human rights will end the conflict in El Salvador if Nicaragua continues to fuel it. Democracy will not prosper in Nicaragua's neighbors unless it is practiced in Nicaragua as well. Nicaragua

will not be free of the hostility of its own people and of its neighbors, until it begins to address their concerns for democracy and security.

So the answer is democratization and dialogue among neighbors. The purpose of U.S. policy in the area is to create conditions in which the area can be removed from East-West conflict, the import of offensive weapons and mutual support for insurgencies ended, and the democratic transformation of each society achieved. Negotiations among all the Central American countries and negotiations within countries can provide the opportunity for all groups to compete in the voting booth rather than on the battlefield.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

²EPS Chief of Staff Joaquin Cuadra to U.S. Army Assistant Chief of Staff for Intelligence, Major General William E. Odom, in November 1982.

³By way of comparison, El Salvador received \$121 million from the United States during the same period.

⁴Nicaragua's Sandinistas aid the guerrillas in El Salvador by supplying arms, training, financial aid, and by allowing the guerrillas' command and control center to operate near Managua.

Arms Supply

- Arms and ammunition destined for clandestine delivery to El Salvador reach Nicaragua by ship and by direct flights from Havana to Nicaragua. The arms remain stockpiled near Managua until their use by the guerrillas.

- Several "smoking guns" have revealed Nicaraguan arms shipments to El Salvador. Nicaragua's Papalonal airfield was used for direct supply flights to the Salvadoran guerrillas for the January 1981 "final offensive"; two overland shipments from Nicaragua through Honduras discovered in 1981 contained weapons originally shipped to American units in Vietnam (similar caches of arms were discovered in Guatemala City in mid-1981, apparently destined for the Guatemalan insurgents); a captured Salvadoran guerrilla leader, Lopez Arriola, confirmed that the Sandinistas control weapons delivered from Vietnam to Nicaragua for the Salvadoran insurgents.

- The Sandinistas use a variety of routes (overland, air drop, and sea) to furnish arms and, increasingly, vitally needed ammunition. In 1982, these supply operations have included increased quantities of heavier weapons, including M-60 machine guns, M-79 grenade launchers, and M-72 antitank weapons.

- A Salvadoran guerrilla, Alejandro Montenegro, captured during a raid on a guerrilla safehouse in Honduras in August 1982, confirmed that Nicaragua remains the primary source of insurgent weapons and ammunition, although the guerrillas capture some weapons and ammunition from the Salvadoran military. One of the guerrillas captured with Montenegro had made five trips to Managua in 1982 to pick up arms.

Training

- Since mid-1980 Salvadoran guerrillas have trained in Nicaragua and Cuba in military tactics, weapons, and explosives. Cubans and other foreign advisers are involved in the training.
- One Salvadoran guerrilla who defected to Honduras in September 1981 reported that he and 12 others went from Nicaragua to Cuba for extensive military training in Cuba where over 900 Salvadorans were receiving training.
- Several terrorists captured in a safehouse raid in Tegucigalpa in November 1981 told authorities that the Nicaraguan Government had provided them with funds for travel and explosives.
- Two weeks ago, responding to a local citizen's tip, Honduran security officials surprised a group of Salvadoran guerrillas in transit through Honduras to El Salvador from training camps in Nicaragua. The antisocials escaped after a firefight but left behind documents identifying infiltration routes.

Command and Control

- After 2 years of combat, the FMLN headquarters near Managua has evolved into a sophisticated command and control center which guides operations. Cuban and Nicaraguan officers are present at this headquarters. The headquarters coordinates logistical support, including clothes, money, and ammunition.
- Intelligence agencies have provided a mass of classified information on arms supply, training, and command and control to the relevant congressional committees. In a report dated September 22, 1982 the House Intelligence Oversight Committee noted that "intelligence has been able to establish beyond doubt the involvement of communist countries in the insurgency." The chairman of the committee issued a statement on March 4, 1982 stating in part that:
- The insurgents are well-trained, well-equipped with modern weapons and supplies, and rely on the use of sites in Nicaragua for command and control and for logistical support. The intelligence supporting these judgments is convincing.
- There is further persuasive evidence that the Sandinista government of Nicaragua is helping train insurgents and is transferring arms and support from and through Nicaragua to the insurgents. They are further providing the insurgents with bases of operation in Nicaragua. Cuban involvement—in providing arms—is also evident. ■

Secretary Visits Mexico

Secretary Shultz visited Mexico City April 17-19, 1983, to attend the third meeting of the U.S.-Mexico Binational Commission.

Following are the texts of the joint statement issued at the conclusion of the final session and a news conference held by Secretary Shultz, U.S. Treasury Secretary Donald T. Regan, and Mexico's Secretary of Foreign Relations Bernardo Sepulveda Amor.

JOINT STATEMENT, APR. 19, 1983¹

Secretary of State George Shultz, Secretary of the Treasury Donald Regan, Secretary of Commerce Malcolm Baldrige, Secretary of Foreign Relations Bernardo Sepulveda, Secretary of Finance Jesus Silva Herzog, and Secretary of Commerce and Industrial Development Hector Hernandez met in Mexico City on April 18 and 19, 1983, on the occasion of the third meeting of the Binational Commission. U.S. Ambassador to Mexico, John Gavin, and Mexican Ambassador to the United States, Jorge Espinosa de los Reyes, were present. At the conclusion of the meeting of the commission, they called on the President of the Republic, Miguel de la Madrid Hurtado.

The following issues were discussed during the meeting of the commission:

- The future structure of the Binational Commission;
- Trade and financial matters, including the outlook of the two national economies and of the world economy, financial and commercial cooperation, and foreign investment;
- Scientific and technical cooperation;
- Cultural relations;
- Fisheries and matters pertaining to the law of the sea;
- Environmental protection in the border area;
- Immigration;
- Tourism;
- Legal matters, such as cooperation toward the elimination of illicit narcotics production and traffic; and
- International matters of mutual interest, including those relating to Central America and the Caribbean.

The discussions were very constructive and enhanced mutual understanding. An agreement was reached to retain the present structure of the Binational Commission. The usefulness of establishing working groups within its framework was recognized.

In the trade sector, export incentives and countervailing duties were discussed. Conversations on these subjects are to continue, with the objective of finding a solution. Both parties agreed that these discussions will be resumed as soon as possible.

The two countries reviewed the many important and timely steps taken recently in the field of bilateral financial cooperation. There was a detailed examination of new steps in this field, related in particular to the consolidation of commercial debts and the financing of bilateral trade expansion.

In the fisheries area, the need to resume conversations concerning a regional agreement for the conservation of tuna in the Eastern Pacific was recognized. In this regard, Mexico offered a proposal.

On the subject of Central America, Secretaries Sepulveda and Shultz exchanged views on the situation in the area. They agreed to promote processes of dialogue and negotiation for the purpose of avoiding armed conflict and fostering peaceful conditions and economic development.

Both countries agreed to conclude an agreement for cooperation on the protection of the environment in the border area.

Cultural cooperation will be strengthened through new exchanges within the framework of the Bilateral Commission of Cultural Cooperation. The Secretaries also agreed to establish Juarez-Lincoln lectures, to be given in Mexico each year by distinguished American figures, and in the United States by distinguished lecturers from Mexico.

A new agreement for the promotion of tourism was signed, to replace the one signed in 1979.

The U.S.-Mexico Mixed Commission of Science and Technology will meet in December 1983 to examine a new program of activities. There will also be a meeting soon of the working group on consular matters. The Secretaries agreed to strengthen reciprocal assistance on legal matters.



Secretary Shultz and Mexican Foreign Minister Sepulveda propose toast to President Reagan.

The two countries reviewed the important work performed by the International Boundaries and Waters Commission to resolve problems within its jurisdiction. They agreed to support projects that will contribute to the long-term solution of water pollution problems.

Secretaries Shultz and Sepulveda noted with pleasure the intention of their Presidents to meet in 1983. The date and place of the meeting will be announced in due course. Mexico will be the host.

NEWS CONFERENCE, APR. 19, 1983²

Secretary Shultz. First, I'd like simply to express my appreciation for the cordial welcome and the gracious treatment that we have all received here in Mexico and also to say that I have certainly benefited, as have my colleagues, from the constructive discussions that we've had here over the last couple of days.

Q. [Inaudible].

Secretary Shultz. The communique simply says precisely what it says. We agree that it's important to avoid escalation of the armed conflict and that we seek peace, we seek economic development, in the region. As far as the meeting to take place in Panama is concerned, I have, as we pulled up here, again wished the Secretary the best of good fortune in those meetings. We hope that they're successful.

Q. Did you deal with the question of illegal immigrants to the United States and undocumented workers in the United States, and how is this problem going to be solved? Is there going to be a quota system for Mexican workers in the United States?

Secretary Shultz. We did, as we said in the communique, discuss the general question of immigration, and I think the most important development in the legal sense in the United States is the prospect of the Simpson-Mazzoli bill, that is well known here and in the United States. I would say beyond that, however, that the really important thing to focus on is the importance of economic growth throughout our region. We talked about that in talking about the U.S. economy. We've talked about the Mexican economy. We've talked about Central America, but it is prosperity at home that is essentially the answer to this question.

Q. What shape will American financial support for Mexico take, and will there be additional American investments in this country?

Secretary Reagan. We had a very interesting discussion with Secretary Silva Herzog and Secretary Hernandez regarding the Mexican economy and what they forecast for it over the next several months.

At the current moment, Mexico is doing it on its own; there is no need for further financial aid. If conditions were to change, obviously, we plan to be in

touch with each other constantly, so at the moment there is no additional financial assistance.

Q. Have you reassured the Mexican officials that the money that's supposed to be used to interdict arms in Central America won't be used to wage war against the government that they support in Nicaragua?

Secretary Shultz. We have discussed the situation in Central America at great length, and the Secretary has described his efforts to me—very constructive efforts—and the point of view of Mexico. We also discussed these matters with President de la Madrid, and in turn, I've explained our analysis of the situation and the things that we're trying to do to help bring about security for the region, particularly in El Salvador, where there is a guerrilla challenge to a democratic government, and our own efforts to promote, I think, the essential ideas of preventing the flow of arms, in the case that we worry about, from Nicaragua, Cuba, and Nicaragua to El Salvador, and to seek means for national pluralism throughout the region, so that we can see economic development take place.

Q. You had six Cabinet members meeting here, three from Mexico and three from the United States, and you discussed a number of problems from the point of view of the interests of the two nations.

Were there any points in which the different focus of each government might bring about a disagreement between them or did you have a general area of disagreement in the positions adopted by the two governments surrounding all of the items that you discussed?

Secretary Shultz. I would say that we had a uniformly good atmosphere—a problem-solving atmosphere—in the sense that whatever we took up, I think it was genuinely felt on both sides, the object was to make progress in solving the problem. In some cases, there were things that had been so constructed before we got here, like the tourism agreement, that we could sign it, so that represented an agreement.

In other cases, we agreed to start up again some talks that had been suspended, as in the discussion that Secretary Baldrige had on the issue of subsidies. There were others in which we exchanged ideas and in which a proposal was tabled on one side or the other. On the question of tuna, for example, we both see that these are fish that migrate around and so they haven't heard about

(Wide World photo)

national boundaries. It's a problem to know how to deal with that, and the Mexican Government put forward a new proposal, which we'll be examining.

We didn't agree on everything, but we were able to look at every issue, including very sensitive ones, such as the Central American issues, all in, I think, a very constructive spirit. I might ask my counterpart if he would like to comment on that.

Secretary Sepulveda. I share a great deal of the viewpoints expressed by Secretary Shultz and that these conversations have been extremely fruitful and extremely cordial and productive. We've held them in an atmosphere of frankness and cordiality, and we have been able to present our different points of view on these various matters within this framework of cordiality and frankness.

As you know, this is the first occasion during the Administration of President de la Madrid that the Binational Commission has met. We've met—Secretary Silva Herzog and Secretary Hernandez—with our American counterparts and worked constructively over the past 2 days in analyzing the various problems that were presented to us. Some of the results have already been mentioned by Secretary Shultz, but I'd like to mention a couple of others that I think we have made progress on.

For example, the matter of environmental quality along the border between the two nations, we have made progress in discussing this situation. I think this is a situation that affects both Mexicans and Americans, and we have made progress that we'll be able to settle and improve the quality of the environment along the border between our two countries.

Another item that I consider of importance is a matter of cultural exchanges, and that we hope that we will both be able to receive and to send cultural presentations from one country to another and vice versa. And I think as far as legal matters are concerned, I think we have established the groundwork for cooperation whenever that is necessary and indispensable and that we will get good results in the legal field in the future.

As far as Central America is concerned, of course, we have what, in the contents of the communique, reflects the result of our conversations. But I think there is another point that is very important for us, and that is that we feel that we're seeking medium-term solutions to the problems of Central America. But we have to undertake the

task of working on the beginnings of those medium-term solutions on the basis of urgency and working with all the parties concerned. And, of course, we are interested in establishing peaceful conditions throughout the area that would permit the building of friendly relations between the various countries in the Central American region. Of course, we have to generate peaceful machinery in Central America and that cannot be done on a short-term basis. But as we establish and build upon what we are doing and establish a better climate, then our task will become easier. I think we have established the need, as I said, of achieving medium-term results in this area by means of prompt action in the field of economic development and in the establishment of economic conditions that will affect the prosperity of all the countries of the Central American area.

I took advantage of the occasion to brief Secretary Shultz on my visit to the five countries of Central America, and I think that there has been a useful exchange of views as far as Central America is concerned between our two delegations that is of a great usefulness for the situation. We hope to be able to promote dialogue and negotiations starting with our trip tomorrow to Panama and our meeting there.

Q. The Contadora initiative has certain points in it that directly affect the United States. Does the U.S. Government object to these provisions or is it willing to cooperate with this group?

Secretary Shultz. As I understand it, the Contadora four have managed to organize a meeting in Panama, and to my way of thinking the key in this meeting is the fact that all five Central American countries will be there, which to my mind is a recognition of the basic fact that the issues are fundamentally regional. Now, having said that, of course, there are all sorts of questions that have to be worked out by the parties and I know the Secretary and his counterparts will be trying to do that.

As I said earlier, we wish them well in their effort, because we, as they, want to see peace; we want to see democracy; we want to see economic development in those regions; and we feel that we got a lot and I hope gave something in the exchange of views on this, not only with the Secretary but with President de la Madrid, with whom we were privileged to spend a considerable time. Thanks very much for your cordial treatment here in Mexico.

¹Press release 126 of Apr. 28, 1983.

²Press release 122 of Apr. 20, 1983. ■

El Salvador: Response to Chairman Long's Concerns

The following is the text of a letter from Secretary Shultz to Representative Clarence D. Long, chairman, Subcommittee for Foreign Operations of the House Appropriations Committee.¹

April 26, 1983

Dear Mr. Chairman:

Consultations between the Department of State and your subcommittee in recent weeks have demonstrated that there exists broad agreement on the seriousness of the situation in Central America and on the needs for us to maintain a comprehensive security, political and economic strategy to address this situation. These consultations have focused on four specific areas of immediate concern to both of us. I would like to set out our views on these concerns and the nature of the programs and policies we have implemented, or will be implementing, in each of these areas.

You have raised the issue of prison conditions and your view that all prisons and detention centers in El Salvador should be

subject to inspection by an independent international organization such as the International Committee of the Red Cross (ICRC). We share your concerns and have been working with the Government of El Salvador and the ICRC to achieve precisely this objective. Over the past year the number of ICRC visits to prisons has steadily increased and I am informed that President Magana has now ordered that the ICRC be given unrestricted and unannounced access to all prisons and detention centers and private access to prisoners. This is a positive development which should go a long way toward meeting our shared concerns on this issue.

You have also expressed an interest in the status of political prisoners in El Salvador. There are approximately 700 prisoners in El Salvador who are being detained under Decree 507, the state of siege authority. While in prison these detainees have been generally well-treated, but some have not been charged formally with a crime. The prisoners incarcerated under this decree range from those accused vaguely of "association with the guerrillas" to those actually implicated in terrorist acts. President Magana

has recognized the uneven effects of Decree 507 and has begun a review process with the intent of releasing those accused of less severe offenses. About 60 political prisoners have been released within the last two months, with a larger number expected to be released in the near future.

Perhaps more importantly, President Magana has also tasked his recently-formed Peace Commission with development of an amnesty law, one effect of which would be to bring about the release of substantial numbers of the remaining political prisoners. This bill has been drafted, reviewed by the President and sent to the Constituent Assembly where a vote is expected in the near future.

We also share your desire to bring to justice those charged with the murders of American citizens. In the case of the American churchwomen, in particular, I have been disturbed by the slow pace of the judicial process. I have been assured by President Magana that the Government of El Salvador will take every possible measure to bring these men to trial. For our part, I have ordered an independent and high level review of all the evidence available to our government pertaining to this case. We will provide the Salvadoran judiciary with any evidence we may find that could be of use to them in prosecuting this case and report to the Congress when this review is complete.

More fundamentally, Mr. Chairman, we have embarked on a program to begin a broader process of judicial reform in El Salvador. This effort was kicked off last week by the U.S. Attorney General on a special visit to El Salvador for that purpose. The objectives of this effort have been outlined to the Committee in a paper provided to you at the beginning of the reprogramming process.

I would like to outline our policy on elections and negotiations. As we have stated publicly on a number of occasions, we favor a negotiating process which would lead the way to a political solution through free and fair elections in which candidates of all political philosophies can participate safely and have access to the media. The Government of El Salvador shares this objective and has designated a Peace Commission to work out the procedures necessary to obtain this result. We are interested in doing everything in our power to support this process. We believe it offers the best, probably the only, opportunity for peaceful reconciliation in El Salvador. To advance this objective, the President will soon be designating a senior US official of ambassadorial rank to act as a special envoy to Central American governments. In this role he will assist the Salvadorans in their efforts to find a basis for dialogue with their opponents on the terms

and conditions for free, fair and safe elections; it should be understood that participants in these discussions may raise any issue they wish, and that the US will not support negotiations for power-sharing.

Finally, Mr. Chairman I would like to reiterate the observation I made to you and the Committee during testimony on our \$60 million reprogramming request. Without military assistance to provide security for the people of Salvador, there can be no progress in achieving social justice and improving human rights. The military effort is essential to provide the shield we need to succeed in

our broader efforts. We do not seek a military solution. But we do seek enough military assistance to make possible a longer term and more meaningful peace in Central America.

We will resubmit the request for reprogramming the remaining \$30 million of our request at the proper time.

Sincerely yours,

GEORGE P. SHULTZ

¹Released by the committee and made available by the Department of State. ■

Land Reform in El Salvador

by M. Peter McPherson

Opening statement made at a news briefing at the Department of State on March 8, 1983. Mr. McPherson is Administrator of the Agency for International Development (AID).

We have recently seen some very positive developments in El Salvador, e.g., the acceleration of the date for general elections and the extension by the Constituent Assembly of the provisions of Phase III (land to the tiller) of the agrarian reform to the end of 1983.

These events coincide with the completion of an outside evaluation of the El Salvador agrarian reform program. The report was undertaken by Checchi and Company, a well-known firm with extensive experience with the agrarian reform in El Salvador.¹ The report is very positive on the state of the agrarian reform program, and I believe the American public should be aware of these developments, and I should like to take this opportunity to help that process.

The authors of the study, a team of independent and experienced consultants assembled by Checchi and Co., arrived in El Salvador with the impression from U.S. newspaper accounts that the conservative coalition that won the March 1982 election had attempted to annul the reforms. El Salvador has a long history of attempts at agrarian reform, and many observers would not be surprised if the most recent efforts, decreed in 1980, had also ended unsuccessfully. However, the members of the study team found "somewhat to their surprise" that the reform, despite an on-going civil war, was still very much alive and that significant further progress had been

made during the June-December 1982 period. The authors spent 2 months in El Salvador at the end of 1982 conducting the study, which included extensive field work.

I simply would like to highlight some of the more important aspects of the reform and features of the report.

- The authors found the agrarian reform program working successfully.
- Agriculture production, in the reformed sector after an initial decline, has now regained prereform average production levels.
- As illustrated by the chart, we can see that there has been a dramatic increase in applications over the last 6 months. This followed a period of uncertainty immediately before and after the March elections.

Phase III

This program benefits thousands of small farmers who were former renters and sharecroppers and who previously had little chance of owning their own piece of land. Phase III permits renters and sharecroppers to apply for title on land they had tilled under these tenure arrangements as of May 6, 1980, up to a maximum of 17.3 acres.

As I mentioned, the life of the Phase III program was extended by the Constituent Assembly on March 3 for the balance of 1983. This follows on the outstanding progress made by the Government of El Salvador in implementing this program in 1982, despite the severe security conditions and civil conflict.

The Salvadoran Armed Forces are actively supporting the program in the rural areas of El Salvador. The army has directly reinstated 2,300 beneficiary families who had been illegally evicted

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from their lands, particularly during the March 1982 election period and immediately thereafter.

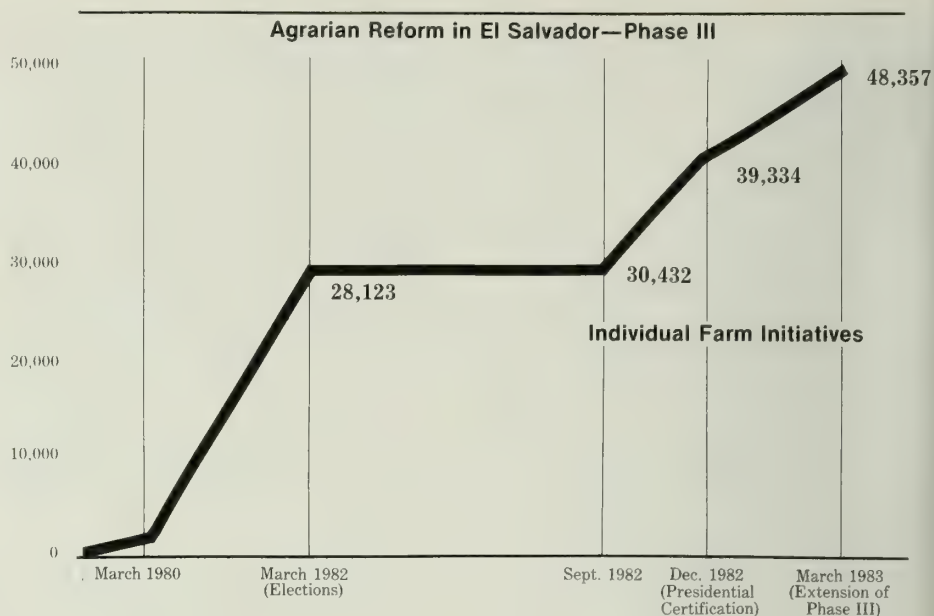
Under the leadership of a widely respected Col. Galileo Torres, implementation of the Phase III program dramatically improved since the autumn of 1982. In September the Government of El Salvador launched a major campaign which resulted in 9,000 additional claimants, bringing the total to 39,000 by the end of December. This quite remarkable performance has been sustained in the first 2 months of this year. As of the end of February, 48,357 small farmers had filed applications for title. This will benefit almost 300,000 people. Significant progress is also reflected in improved performance in the compensation of former land owners, and the issuance of provisional and definitive titles to eligible beneficiaries.

Phase I

Phase I of the agrarian reform was initiated by the Government of El Salvador in March 1980 and was designed to affect all land in holdings larger than 500 hectares.

Phase I has affected 206,000 hectares, or about 15% of the total agricultural land area, and includes almost all properties in excess of 500 hectares. Some 30,000 former hacienda workers and landless laborers have benefited—about 180,000 persons when family members are included. The lands affected by Phase I have been formed into 314 production cooperatives.

The study team interviewed a random sample of Phase I beneficiaries; almost all stated that they were better off than before the agrarian reform. They split about evenly on the question of continuing to produce cooperatively versus dividing the land into individual plots, and they had equally mixed feelings about the present system of joint management between the cooperative and the government.



Nearly 30% of the expropriated land has been paid for already in cash and bonds equivalent to about \$100 million. Another 24% has been appraised and is awaiting the availability of cash.

The agrarian bonds, issued as part of the compensation, are being actively traded at between 42% and 75% of face value. Just over 1% of all bonds issued to date have already been redeemed as payment of gift and death taxes. Interest coupons, which can be used for payment of all taxes, are briskly traded at 95% of nominal value. This is another interesting finding, given that 6 months ago the bonds were being described as worthless paper.

Over 75% of production loans made to Phase I cooperatives in 1980 and 1981 were repaid—better than the record of other Latin American land

reforms and also better than the repayment record of nonreform private landowners in El Salvador.

A major effort to improve the management of Phase I cooperatives is underway with AID support. Farm managers and accountants are being trained. Also, a grassroots program called CODIZO has been initiated, wherein representatives of each cooperative in a geographic area meet weekly to learn simple cost accounting and talk about common problems, needs, and proposed solutions.

¹Highlights of this report may be obtained from the Office of Public Affairs, Agency for International Development, Washington, D.C. 20523. ■

Radio Broadcasting to Cuba

by Thomas O. Enders

*Statement before the Subcommittee on International Operations of the House Foreign Affairs Committee on March 22, 1983. Ambassador Enders is Assistant Secretary for Inter-American Affairs.*¹

Since I last appeared before this committee 1 year ago, little has changed within Cuban society. The government there, an economic dwarf, still views itself as a foreign policy giant—an image derived from looking at itself through a distorted mirror held up by the Soviet Union. The Cuban economy, organized in the familiar Soviet command model, has registered a general failure. A few statistics may be useful here. Despite growing Soviet assistance in sales of oil at low prices and the purchase of sugar at above market rates, the Soviet economic aid effort—which in 1982 ran nearly \$4 billion—is more than one quarter of Cuba's GNP. This is in addition to 66,000 tons of military equipment furnished free. And what has been the impact of all this on the Cuban people? Since 1959, the real income of the average Cuban has been nearly stagnant and steadily falling relative to much of Latin America. Rationed food, rationed clothing, and deteriorating housing have all been the rule of the day.

Cuba has for centuries been dependent on trade and on sugar. But since 1959, its already excessive dependence on sugar has actually increased and Cuba has exchanged a system of competitive trade with the West—and of favorable trade balances with the United States—for one of noncompetitive exchange with the communist world—dominated by unfavorable trade balances with the Soviet Union. There are many reasons for all this, but a glaring manpower statistic, if you will permit me to cite just a few more facts, may be helpful in understanding the situation more clearly. In 1958, the final year of Batista's reign, there were 46,000 men in the Cuban Armed Forces. In 1982 this number grew to 225,000 Cubans under arms, excluding the militia, which numbers close to 500,000. Cuba has far and away the largest and most formidable armed forces of any of the developing countries in the Caribbean Basin. Indeed, in all of Latin America, only Brazil—with 12 times Cuba's population—has more men under arms.

And what does it do with this might? It's Cuban's greatest export around the

world. Cuba maintains about 40,000 soldiers in Africa, dominating two countries and serving as a surrogate there for the Soviet Union. In Central America, it plays a similar proxy role for the U.S.S.R. by seeking to unite the left in search of the violent overthrow of established government. In Nicaragua alone, the Cubans maintain 2,000 military and security personnel, plus another 6,000 civilian "advisers." In fact, more than 70,000 Cubans are abroad on various "internationalist" missions, most of them military.

Most civilized countries of the world cannot overcommit such distorted proportions of their national resources to state interests abroad quite like this because the people force them to address their own concerns first. But not in Cuba. The people of this Caribbean island just 90 miles off of our shores have no way to hold their government accountable. For 24 years, they have been denied the basic tools of modern civilized society on which to make judgments—the free flow of reliable, uncensored information.

The Proposal

The proposal we discuss today—radio broadcasting to Cuba—is intended to address this situation. Cubans, like all peoples, yearn for the truth. Even Cuba's leaders rely on the Western press and wire services, the Voice of America (VOA) and the BBC [British Broadcasting Corporation] for factual, unbiased information about the world. But the VOA is mandated by Congress to serve as a window on America, presenting official U.S. Government policy and projecting American society and institutions for foreign audiences.

Radio broadcasting to Cuba, on the other hand, will have a different mission. In the distinguished tradition of Radio Free Europe and Radio Liberty, it will be a surrogate "home service" for Cuba. It will tell the Cuban people the truth about their government's domestic mismanagement and its promotion of subversion and terrorism in this hemisphere and elsewhere around the globe. It will tell the Cuban people what these activities cost them and their children in terms of their own standard of living. Furthermore, it will correct the false image they have been given of Cuba's international reputation.

This is not the kind of programming that, under its charter from Congress, the VOA was established to conduct. It is certainly not the kind of program that can be provided by the privately owned Spanish-language commercial radio stations in southern Florida. Like all commercial radio stations, their programming is primarily geared to the listening tastes of their local audiences on which their advertising revenues are based.

The purpose of radio broadcasting to Cuba is not to incite rebellion, to topple the Cuban Government, or to make it less anti-American. Radio broadcasting to Cuba will be aimed not so much at the Cuban Government as at the Cuban people. We believe that by breaking the Cuban Government's control of information, we will help the Cuban people to question more closely their government's policies and thus hold their government more accountable for its actions, perhaps influencing it to devote more time and resources to domestic concerns and less to international adventurism.

This Administration believes that broadcasting to Cuba should be a high priority. In a meeting on February 22, 1983, with a bipartisan group of legislators, President Reagan stressed that the Administration believes strongly that the Cuban people have a right to know what is going on in their country and about their country's activities around the world. We should no longer allow the Cuban Government to carry out, unchallenged, its irresponsible and costly subversive efforts abroad in conflict with U.S. interests without trying to promote some degree of accountability by the Cuban people. While we have undertaken such an effort in Eastern Europe and the Soviet Union through Radio Free Europe and Radio Liberty—both recognized by Congress as deserving of continued support—it would be inexcusable for us any longer to ignore the need to make the same effort on our doorstep.

Broadcasting as an Initiative

This is a peaceful foreign policy initiative, designed not to provoke a confrontation with Cuba but to promote the free flow of ideas and truth that is now denied to the Cuban people by their own government. It is in keeping not only with the ideals of our own Constitution, but is also enshrined in Article 19 of The Universal Declaration of Human Rights (1949) which declares: "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and

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to seek, receive and impart information and ideas through any media and regardless of frontiers."

The communist bloc countries seem to believe that this declaration of human rights is a one-way street. They broadcast programs all over the world without interference but do not grant their own people the right to listen without interference to foreign broadcasts. Here in this hemisphere, the Soviets broadcast 322 hours of programming per week, of which 108½ hours are in English. The U.S.S.R. also broadcasts to Latin America in Creole, French, Esperanto, Spanish, Guarani/Spanish, Portuguese, Quechua, and other languages. The People's Republic of China broadcasts 123 hours weekly to this hemisphere, while 7 East European countries provide an additional 257 hours to Latin America and a further 200 hours to North America. Cuba does its share as well. It broadcasts 275 hours of programs per week to North America and the Caribbean, of which 38 hours are broadcast by "La Voz de Cuba" over two medium-wave transmitters (one 1 kw and one 20 kw). Others from the communist countries broadcasting to this hemisphere include North Korea and Vietnam. The hundreds of hours broadcast by these countries into our hemisphere contrasts sharply with the 85½ hours total broadcast by the VOA to this same area.

What does all this mean? It signifies clearly that the communist bloc countries know and understand the strength and importance of radio broadcasts. They, along with us, understand that international radio broadcasting is the single most important communications medium for hundreds of millions of people. The new Soviet leader, Andropov, made this clear to Secretary Shultz in Moscow at the time of the Brezhnev funeral when he complained to the Secretary to do something about VOA (Western) broadcasts to the Soviet Union. Foreign Minister Gromyko also made that point to Vice President Bush. And Fidel Castro himself has made it clear that he does not like the idea of a Radio Free Europe-type service for his country. We can only conclude from his reaction that Cuba has something to hide, that the fiction the Cuban Government does out to its people cannot grapple successfully with the truth.

This radio—like Radio Free Europe and Radio Liberty before it—is intended to earn its audience gradually through its special sensitivity to needs the state ignores. It will speak to young people of the sports and music they love. It will

speak to adults of the great Cuban and Hispanic-American heritage they admire, which so often the state denigrates. And it will give news on which the Cuban listeners can rely.

Questions and Answers

We know that in Eastern Europe, it took years for Radio Free Europe to earn an audience. Little by little, that audience expanded. Radio Free Europe now has perhaps 70% of the Polish radio audience. Is there any doubt that the changes of the last decade could have occurred without that honest, trustworthy, humane outside contact? Our proposal is thus to begin a sustained effort, over many years, to help the Cubans know more about their country and thus to hold their government accountable in ways it is not now.

People say: "Wouldn't it be better to negotiate with the Cubans;" or "It isn't like us to engage in propaganda;" or "Cuban countermeasures will hurt us too much." We have tried to talk with Cuba in the past, and it would be wrong to rule out trying again. But the record is daunting.

Let me review the record. In 1975, we made our first secret contacts, suggesting the exploration of ways to remove tension and hostility. Late in that year, the Cubans sent troops into Angola. In 1977 we again started talking seriously to the Cubans, this time much more ambitiously, saying we wanted to create conditions in which the legacy of the past—the embargo and the political tension—could be overcome. In very high-level secret talks, our negotiators explored a series of steps with the eventual goal of removal of the embargo and full diplomatic relations in return for curbs on Cuban activities regarding Puerto Rico and a gradual withdrawal of the more than 20,000 Cuban troops from Angola. After all, the Civil War was over. While we talked, Cuba went into Ethiopia.

Conversations continued. In mid-1978, Cuba launched upon a new aggressive strategy in Central America, uniting violent factions first in Nicaragua, then in El Salvador, then in Guatemala, committing them to the destruction of their established governments. Talks went on. In 1980, Castro turned the desire of many of his countrymen to flee Cuba into a hostile act against the United States—the Mariel boatlift.

Often it is only prudent to talk to adversaries. This Administration has had high-level contact with Cuban

leaders to see whether there are areas of common interest. But in the end, what counts is not talk but action. And the record of U.S. talks with Cuba has produced little in the way of moderated action.

Others ask: "Should we be associated with propaganda?" No, we should not. We will not succeed in attracting an audience in Cuba if we offer them propaganda. If there are false reports, the listeners will soon realize the reports are false. If false reports continue, they will turn off. Only by respecting its audience can a project like this succeed. So it must be the creature of no political tendency, of no action group, of no vested interest. We have acquired experience—in Radio Free Europe and Radio Liberty—of how to do that, even though the beginnings were difficult.

Others say: "Cuban interference will hurt us too much." Well, Cuban interference is a problem—a serious problem—because international radio broadcasting is based on cooperation, but Cuba has chosen to act as an outlaw. Cuba's lawlessness vastly predates radio broadcasting to Cuba and will continue to exist in the future—with or without this new station. The Cubans refuse to use directional antennae, as we do, to protect others broadcasting on the same frequency. And they do not respect the decisions of the regional body that allocates frequencies. In short, the Cubans don't care if they interfere with broadcasters in other countries. They even interfere with their own broadcasting.

We do not know for certain what Cuba will do about radio broadcasting to Cuba. It is possible that the Castro regime may attempt to jam this radio service with low-powered stations situated in the main cities and towns of Cuba. This would badly interfere with reception of our radio program. It is possible that Cuba may initiate counter-broadcasting. Castro himself has spoken of using a "Radio Lincoln" to beam his version of the truth to the American people. To this we say: "Americans have nothing to fear from a competition of ideas." It is also possible that Cuba may do nothing. The VOA has been directing broadcasts to Cuba for more than 20 years, and Castro has rarely seriously tried to jam these broadcasts.

In short, we cannot say for certain just what Cuba may do in response to our proposal. What we can say is that we will not submit to blackmail. We can say that we will not allow the threat or the fear of illegal and unfriendly acts by

the Castro regime to cow us into backing down from our commitment to the free flow of information and ideas to all the peoples of the world.

Congressional Moves

Last year, in the 97th Congress, a bill authorizing the creation of radio broadcasting to Cuba passed the House of Representatives with bipartisan support by an almost 2 to 1 margin and was reported favorably, also with bipartisan support, by the Senate Foreign Relations Committee. American broadcasters have had a number of concerns about the bill, primarily that the establishment of broadcasting to Cuba would result in an increase in longstanding Cuban interference with U.S. AM broadcasting. The Administration did its utmost to reach a compromise that would accommodate broadcaster concerns as well as the national interest. However, in the end, the Administration did not believe that all of the modifications requested by the National Association of Broadcasters (NAB) could be accommodated consistent with the establishment of effective radio broadcasting to Cuba.

Nevertheless, we believe the bill sent forward to both Houses of Congress on February 24, which contains significant accommodations to the concerns of broadcasters, meets in almost all respects the provisions they have sought. In fact, most of the recommendations on broadcasting made by the NAB in a letter dated November 16, 1982, to all Members of the Senate have been incorporated in this bill. In that letter, the NAB suggested that if radio broadcasting to Cuba were authorized, the government should:

“First, put Radio Marti at either end of the AM band outside of commercial radio frequencies;

Second, operate Radio Marti on shortwave;

Third, permit government leasing of airtime on existing commercial AM stations for Radio Marti;

Fourth, allow Radio Marti to share the frequency now used by the Voice of America at its marathon station; or

Fifth, expand the operating hours and mandate of the Voice of America to include the kind of programming envisioned for Radio Marti.”

We are prepared to work with the first four of these and have incorporated them into our proposal. The net result of these accommodations—which are very important to our AM commercial broad-

casters—is not to establish a new station on the commercial portion of the AM band (535 kHz to 1605 kHz) other than possibly on 1180 kHz, which has been allocated to and used by the government for VOA broadcasting to Cuba for over 20 years. Although the accommodations made in this new bill are significant, the bill, which has already been introduced in the Senate, gives the Administration the options necessary to ensure that radio broadcasting to Cuba would be done right.

Conclusion

All the information available to us indicates that the vast majority of Cuban radio listeners listen to the AM band. Indeed, that is the band used by the Cuban Government to reach the Cuban people. Cuba maintains an interlocking system of five national AM networks. Whatever other frequencies one might consider, use of the AM band is crucial in order to reach the largest possible number of Cubans. We believe that having the option of using 1180 kHz, plus leasing time on existing commercial AM stations, will give us the basic tools to reach our target audience. The other options such as the upper and lower noncommercial portions of the AM band and shortwave could be used by the Board for International Broadcasting (BIB) to augment the basic coverage.

Broadcasters' concerns over Cuban interference with U.S. AM broadcasting are not new; this is a significant problem that has been growing over the past 15 years. The Cuban Government in its efforts to defeat this bill, has sought to

give the impression that interference would increase. The Administration has stated repeatedly that this is a peaceful, legal, and nonconfrontational foreign policy initiative in the national interest patterned after the successful models of Radio Free Europe and Radio Liberty. The Administration believes that we should not allow our foreign policy to be determined by threats of the Cuban Government. We believe that Congress and American broadcasters share that determination.

Radio broadcasting to Cuba is designed to respond to a basic human need—the need to have access to information on events and policies that affect the lives of individuals. Freedom of information is what we are talking about here, a fundamental freedom recognized by every responsible individual and government in the world. This right, this freedom, has been consistently denied to the Cuban people since Castro came to power in 1959. Radio broadcasting to Cuba will help restore it.

Those of us who have lived in a communist state will know just how much radio broadcasting to Cuba can affect the lives of Cubans. This is an opportunity to offer the Cuban people hope and the means to make informed judgments on the actions of their own government. For a people bottled up in a system of oppression which they did not seek and cannot remove, that can be precious.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S. Policy Toward Argentina

by N. Shaw Smith

Statement before the Subcommittee on Western Hemisphere Affairs of the House Foreign Affairs Committee on March 16, 1983. Mr. Smith is Director of Southern Cone Affairs, Bureau of Inter-American Affairs.¹

I appreciate the opportunity to appear before you to discuss U.S. policy toward Argentina. I was especially pleased that Chairman [Michael] Barnes and others here were able to visit Argentina earlier this year. You had a full program of meetings with government officials,

political and labor leaders, persons active in the human rights movement, representatives of the business and financial communities, and others. Argentina is a rich, diverse country with complex social and political institutions. It has its own dynamics and its special perspectives on events. It is now going through a political transition back to democracy. So, it is helpful to get a first-hand look at the situation there. I was delighted to have accompanied you on the visit, and I welcome these hearings as an effort to broaden public understanding of events in Argentina

and U.S. policy toward that country.

American policy flows from our national interests and our ideals. It makes sense, therefore, to reflect on what these are in the case of Argentina and how they interact. In a country of Argentina's prominence, it is not surprising that the United States has a number of interests—political, economic, and strategic. Some are immediate, while others are longer term. Obviously, they vary in importance and, indeed, shift somewhat over time in response to evolving U.S. priorities and to changing circumstances in the area. In the case of Argentina, some of our more significant interests include:

- The maintenance of peace in the South Atlantic and the southern cone—the achievement of progress toward peaceful resolution of territorial disputes involving the Falklands/Malvinas Islands and the Beagle Channel;
- The establishment of sound relations with a productive dialogue and hopefully with increased Argentine-U.S. cooperation on hemispheric and global issues;
- Argentine efforts to establish a stable democracy and domestic tranquility;
- Argentina's reconstruction of a sound and prosperous economy, creating a basis for increased trade, investment, financial and technological relations, and the strengthening of mutual economic cooperation;
- The development of Argentina's enormous capacity as a major supplier of the world's food needs, now and in the future;
- Increased U.S.-Argentine cooperation, as major world agricultural suppliers, in the reduction of barriers to growth of international trade;
- The peaceful advancement of Argentine programs of energy supply;
- Cooperation in the Antarctic; and
- Prevention of Soviet disruption or strategic inroads in the area.

These are, I repeat, some of our interests. They are not listed in priority order, but I believe the listing itself indicates something of the nature, scope, and importance of U.S.-Argentine relations.

The subject of human rights, of course, represents a special dimension in our relations, reflecting not only our interests but also our ideals. This issue reflects, in Argentina as elsewhere, fundamental American values. And it is, there as elsewhere, a matter of great local sensitivity. Human rights has been

at the crux of the Argentine-U.S. relationship in recent years. Fortunately, there has been substantial progress in this area which is removing it as a complicating issue in our relations.

Our policy should reflect both our major interests and developments in Argentina. Certainly, the circumstances of the post-Falklands/Malvinas period present a policy panorama considerably different than that which existed in 1981 or early 1982. The war itself brought major changes within Argentina and, of course, in relations between Argentina and the United States.

Recent Notable Developments

First, the government of President Reynaldo Bignone, installed July 1, 1982, announced that it was a government of transition whose primary task was to oversee the return to democracy. The government has pledged to hold national elections on October 30 this year, with the new government to be installed on January 30, 1984. There has been a notable increase in political activity. Parties are freely organizing, inscribing voters, and holding public rallies in preparation for internal party elections this spring and summer. The press now is relatively unrestrained. Open and even severe criticism of the government is common. Although a few publications were closed or editions seized in recent months, these cases are reviewed by the courts, which often reverse government decisions. Argentina has shown substantial improvement in the exercise of political rights, but given the country's history of political turbulence, many observers do not foresee an easy transition this year, although the positive trends are expected to predominate with the political opening continuing on track.

Second, the situation regarding individual rights in Argentina has shown dramatic improvement. There have been no new cases of confirmed disappearances in 2 years, although this remains a very sensitive issue. Questions of accountability and of accounting for the disappeared are politically important. Detentions for national security or political reasons have virtually ceased. Reports of prisoner mistreatment have similarly declined. Moreover, the courts have shown increased independence, ordering the release of PEN [poder ejecutivo nacional] prisoners, convicting prison officials for abuse, levying fines on military officers, and shortening sentences imposed by the highest military court. National security or political prisoners held under PEN

authorization were reduced sharply, with 425 freed during 1982, bringing the total down to 243 at year end. Releases continue. The government has said that all remaining PEN prisoners are to be freed, or brought to trial, in 1983. The state of siege is to be lifted before the elections this year and Argentina returned to the full exercise of individual rights under its constitution.

Third, Argentina, like many other countries, has experienced a period of economic recession, with budget deficits, a high rate of inflation, and problems in external repayments. It suffered from unemployment and a decline in real wages in 1981-82, a situation which began to reverse late in the year. The government successfully negotiated a standby arrangement with the IMF [International Monetary Fund] and debt relief is being negotiated with its major creditors. Nevertheless, problems persist, and economic management will not be easy during a period of political transition. Argentina is a rich country, self-sufficient in energy with a healthy trade surplus and a reputation for rapid recovery from prior difficult periods. Thus we foresee a period of continuing serious short-term strains, cushioned by underlying elements of strength in the midterm and beyond.

Fourth, the Argentine Government has turned its attention once again to the active pursuit of negotiations to resolve the Falklands/Malvinas issue. This has become its central foreign policy focus. Meanwhile the papal mediation between Chile and Argentina on the Beagle Channel continues. Although Argentina has largely replaced its military equipment losses suffered during last year's conflict from Western Europe and elsewhere, we believe the period ahead for both disputes will be characterized by efforts to find a peaceful resolution for these difficult disputes, rather than armed conflict.

Implications for U.S. Policy

U.S. relations with Argentina fell to a low point in 1982 following the Falklands/Malvinas conflict. Many Argentines believed the United States played a role in the British victory. Resentment against the United States was deeply felt in many quarters. Under these circumstances, we should not expect a rapid return to warm relations. Nevertheless, Argentina and the United States share many common interests; our heritage, our peoples, and, indeed, the problems we face are similar in

many respects. There is a basis for solid, cooperative relations between us in the future. First, we must restore confidence on both sides step by step. Our desire to do so was manifested by President Reagan's meeting with the new Argentine Ambassador last year very shortly after his arrival. It also was seen clearly by the constructive and supportive approach we took toward Argentina's negotiations of its international financial obligations, last year and this.

Another important milestone was the U.S. vote in the United Nations last fall in favor of a moderate resolution, sponsored by Argentina, calling for future negotiations on the Falklands/Malvinas issue. We remain opposed to the use of force to resolve territorial issues, as in the Falklands/Malvinas case. But we have never taken a position on the sovereignty of the islands and have reiterated U.S. support for a peaceful, negotiated resolution of this issue. Our current and future policy approach to Argentina is open and carefully balanced. We seek areas of mutual interest, respect, and cooperation.

We must recognize that Argentina has already entered a sensitive period of transition from military to civilian rule. We welcome this. The preelectoral period will witness, inevitably, certain tensions as candidates and parties freely compete. Obviously, we have no favorites in that campaign. Nor do we wish to intrude in any way. It is entirely a matter for the people of Argentina to decide, without interference from abroad.

Our basic position in this: We are pleased that Argentina is launched again along the democratic path. We will try to establish a productive dialogue this year and next and offer our cooperation to whomever is chosen by the people of Argentina to lead their country. We recognize the importance of their country and of its return to democracy for the future peace, stability, and development of this hemisphere. We wish them well.

It follows that in the years to come, we hope to strengthen our ties of interest and understanding with all elements of Argentine society. This is important because in the past the network of linkages between our two societies has not been as broad or as firmly rooted as it should be. These contacts are, of course, predominantly private and nongovernmental. They include educators, labor, political parties, media, the arts, the business and scientific communities—indeed, all segments

of society. We would hope to encourage increased interactions at all levels as the best way, in the long term, to increase our understanding of each others' societies.

Obviously, we should include the Argentine Armed Forces in this process. As they return to a more traditional role, they will continue to be an important element in the future life of their country. In particular, the military will play a key role on issues of importance to the United States, including the maintenance of regional peace. We do not seek to minimize the obstacles to improved relations, but it is important to both countries that we undertake the effort to reestablish confidence and the basis for future cooperation.

Economic cooperation is another area requiring close future attention. U.S. support for sensible foreign debt arrangements with creditor institutions is important in Argentina and elsewhere in the hemisphere. Improvements in the U.S. and world economies should increase demand for Argentine products. As the fourth largest trader in Latin America, Argentina also represents an important overseas market for U.S. products, as it does for productive investment and technology transfer arrangements. We will continue to pursue areas of mutual interest in increased economic interchange, through America's dynamic private sector and through official institutions in which we participate. We both have a major stake in sound economic growth in both countries.

Finally, a note on style—always an important component in how nations deal with each other. We have been through a very rough period in this relationship with Argentina. And one can expect a certain amount of raw nerves as the political transition moves forward in the months ahead. In these circumstances, it clearly serves our interests to be prudent in word and deed. Good relations between Argentina and the United States are genuinely important to both of us. We should give them an opportunity to take hold again and prosper.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Ecuador's President

President Osvaldo Hurtado Larrea of Ecuador made an official working visit to Washington, D.C., April 7-9 1983, to meet with President Reagan and other government officials.

Following are remarks made by Presidents Reagan and Hurtado after their meeting on April 8.¹

President Reagan

Our very cordial and productive talks today covered a broad range of issues. As two countries strongly committed to democratic government, we are heartened by the obviously favorable trend toward democracy in Latin America. And I would be remiss if I did not express here my personal admiration for President Hurtado's courageous leadership in this area and his firm resolve to hold free national elections next year.

The President and I also spoke today about the serious economic difficulties facing many countries in this hemisphere and the importance of working closely together to overcome these problems. Such cooperation is vital to our mutual interest in peaceful and democratic change. We're confident that the economic measures President Hurtado is taking in Ecuador will succeed.

Our two Governments have worked closely to resolve differences that may arise between us. We were pleased to reach an accord last month on restrictions for certain Ecuadorean fish exports to the United States and welcomed Ecuador's willingness to discuss practical solutions to the fisheries issues.

Our discussions today were carried on in a spirit of openness and mutual respect as befits two countries with many shared values, including our commitment to democracy, freedom, and human rights. I have very much appreciated the opportunity to have President Hurtado as my guest, to benefit from his perceptive views, and to reaffirm the warm and abiding friendship that the peoples of our two countries have long enjoyed.

President Hurtado

It has been a great pleasure and a satisfaction to speak to Mr. Reagan, to



(White House photo by Karl Schumacher)

President Reagan, regarding the problems of Latin America and the possible social and economic consequences.

In Latin America, and specifically in my country—Ecuador—we have assumed the responsibility for reestablishing the balance that is necessary to maintain economic and political equilibrium.

However, the efforts that my government and our people can carry out will not be sufficient if we do not find the understanding and the aid of the industrialized countries of the North, as well as the collaboration of multinational finance institutions and international, private banking groups. Without this cooperation, all of the national efforts undertaken by ourselves and our people will not give the necessary results that we are all attempting to find.

In the conversations that we have held during these past few days with the representatives of all these organiza-

tions, and especially in the conversations maintained with President Reagan today, we have found a very high degree of understanding with reference to the problems that afflict Latin America and that these will lead us to finding solutions.

The conversations that we have maintained during these days have had always as a common horizon the will of the two countries in maintaining the ideals that are shared by both countries—ideals of liberty and of deep respect for human rights.

A social progress democracy is what Latin America requires, and perhaps out of this crisis we can find the necessary means to look for these solutions.

¹Text from Weekly Compilation of Presidential documents of Apr. 11, 1983. ■

Current Actions

MULTILATERAL

Arbitration

Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force June 7, 1959; for the U.S. Dec. 29, 1970. TIAS 6997.

Accession deposited: Uruguay, Mar. 30, 1983.

Aviation

Protocol on the authentic quadrilingual text of the convention on international civil aviation (TIAS 1591), with annex. Done at Montreal Sept. 30, 1977.¹

Acceptance deposited: Venezuela, Apr. 25, 1983.

Biological Weapons

Convention on the prohibition of the development, production and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow Apr. 10, 1972. Entered into force Mar. 26, 1975.

TIAS 8062.

Ratification deposited: F.R.G., Apr. 7, 1983.

Coffee

International coffee agreement 1983, with annexes. Done at London Sept. 16, 1982.¹

Signatures: Finland, Norway, Sweden, Mar. 28, 1983; France, Uganda, Apr. 19, 1983; U.K., Apr. 15, 1983.

Copyright

Universal copyright convention. Done at Geneva Sept. 6, 1952. Entered into force Sept. 16, 1955. TIAS 3324.

Notification of succession: Belize, Dec. 1, 1982.

Accession deposited: Dominican Republic, Feb. 8, 1983.

Universal copyright convention, as revised. Done at Paris July 24, 1971. Entered into force July 10, 1974. TIAS 7868.

Accession deposited: Dominican Republic, Feb. 8, 1983.

Environmental Modification

Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977. Entered into force Oct. 5, 1978; for the U.S. Jan. 17, 1980. TIAS 9614.

Ratification deposited: Netherlands, Apr. 15, 1983.

Finance—African Development Bank

Agreement establishing the African Development Bank, with annexes. Done at Khartoum Aug. 4, 1963, as amended at Abidjan, May 17, 1979. Entered into force May 7, 1982.²

Signatures: Austria, July 23, 1982; Brazil, Dec. 8, 1982; U.K., Dec. 23, 1982.

Signatures and acceptances deposited:

Canada, Dec. 23, 1982;³ Finland, Norway, ^{3,4} Sweden, ^{3,4} Sept. 7, 1982; F.R.G., Feb. 16, 1983; Italy, Nov. 26, 1982;³ Japan, Feb. 3, 1983; Korea, Sept. 27, 1982; Kuwait, Nov. 9, 1982; Netherlands, Jan. 28, 1983; Switzerland, Sept. 14, 1982;³ U.S., Jan. 31, 1983.

Signatures and ratifications deposited:

Belgium, Feb. 15, 1983; Denmark, Sept. 7, 1982;⁴ France, July 1, 1982; Yugoslavia, Sept. 15, 1982.

Ratification deposited: Austria, Mar. 10, 1983.

Fisheries

Eastern Pacific Ocean tuna fishing agreement, with protocol. Done at San Jose Mar. 15, 1983. Enters into force 30 days after the deposit of the fifth instrument of ratification or adherence by a coastal state.

Signatures: Costa Rica, Panama, U.S., Mar. 15, 1983.

Judicial Assistance

Convention on the service abroad of judicial and extrajudicial documents in civil or commercial matters. Done at The Hague Nov. 15, 1965. Entered into force Feb. 10, 1969. TIAS 6638.

Extended to: St. Christopher and Nevis by the U.K., Mar. 1, 1983.

Pollution

Protocol relating to intervention on the high seas in cases of pollution by substances other than oil. Done at London Nov. 2, 1982.

Entered into force Mar. 30, 1983.

Proclaimed by the President: Apr. 11, 1983.

Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Done at New York Dec. 21, 1965. Entered into force Jan. 4, 1969.⁵

Acceptance deposited: Mozambique, Apr. 18, 1983.

Terrorism

International convention against the taking of hostages. Adopted at New York Dec. 17, 1979.¹

Ratification deposited: Finland, Apr. 14, 1983.

Trade

First certification of modifications and rectifications to the annex to the agreement of Apr. 12, 1979 (TIAS 9620) on trade in civil aircraft. Done at Geneva Jan. 17, 1983.

Entered into force: Jan. 17, 1983.

UN Industrial Development Organization

Constitution of the UN Industrial Development Organization, with annexes. Adopted at Vienna Apr. 8, 1979.¹

Ratifications deposited: Dominican Republic, Mar. 29, 1983; Uganda, Mar. 23, 1983.

Wheat

1983 protocol for the further extension of the wheat trade convention, 1971 (TIAS 7144). Open for signature at Washington from April 4 through May 10, 1983. Enters into force July 1, 1983 if by June 30, 1983, certain requirements have been met.

Signatures: Austria, Apr. 28, 1983; Brazil, Sweden, Vatican City, Apr. 18, 1983; Cuba, Apr. 11, 1983; Egypt, Kenya, Apr. 19, 1983; Finland, Apr. 7, 1983; Japan, Spain, Apr. 22, 1983; Norway, Apr. 6, 1983; Pakistan, Apr. 4, 1983; South Africa, U.S., Apr. 25, 1983; Switzerland, Apr. 27, 1983.

Ratification deposited: Sweden, Apr. 18, 1983.

Declarations of provisional application

deposited: Cuba, Apr. 11, 1983; Finland, Apr. 7, 1983; Norway, Apr. 6, 1983; Spain, Apr. 22, 1983; Switzerland, Apr. 27, 1983;³ Tunisia, Apr. 14, 1983; U.S., Apr. 25, 1983.³

1983 protocol for the further extension of the food aid convention, 1980 (TIAS 10015). Open for signature at Washington from Apr. 4 through May 10, 1983. Enters into force July 1, 1983 if by June 30, 1983, certain requirements have been met.

Signatures: Austria, Apr. 28, 1983; Finland, Apr. 7, 1983; Japan, Spain, Apr. 22, 1983; Norway, Apr. 6, 1983; Sweden, Apr. 18, 1983; Switzerland, Apr. 27, 1983;³ U.S., Apr. 25, 1983.

Ratification deposited: Sweden, Apr. 18, 1983.

Declarations of provisional application

deposited: Finland, Apr. 7, 1983; Spain, Apr. 22, 1983; Switzerland, Apr. 27, 1983;³ U.S., Apr. 25, 1983.^{4,3}

Wills

Convention providing a uniform law on the form of an international will, with annex. Done at Washington Oct. 26, 1973. Entered into force Feb. 9, 1978.⁵

Ratification deposited: Belgium, Apr. 21, 1983.

World Health Organization

Amendments to Articles 24 and 25 of the Constitution of the World Health Organization, as amended (TIAS 1808, 8086, 8534). Adopted at Geneva May 17, 1976 by the 29th World Health Assembly.¹

Acceptances deposited: Jamaica, Apr. 11, 1983; Nicaragua, Feb. 16, 1983.

BILATERAL**Austria**

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates, inheritances, gifts, and generation-skipping transfers. Signed at Vienna June 21, 1982. Enters into force July 1, 1983.

Ratifications exchanged: Apr. 13, 1983.

Proclaimed by the President: Apr. 25, 1983.

Ecuador

Cooperative scientific and technical project for joint oceanographic research. Effected by exchange of notes at Quito Mar. 17, 1983. Entered into force Mar. 17, 1983.

France

Agreement relating to jurisdiction over vessels utilizing the Louisiana Offshore Oil Port, with annex. Effected by exchange of notes at Washington March 24 and April 6, 1983. Entered into force April 6, 1983.

German Democratic Republic

Agreement concerning fisheries off the coasts of the U.S. with annexes. Signed at Washington Apr. 13, 1983. Enters into force on a date to be agreed upon by exchange of notes, following the completion of internal procedures of both governments.

Hong Kong

Agreement amending the agreement of June 23, 1982 (TIAS 10420), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Washington Jan. 12 and 14, 1983. Entered into force Jan. 14, 1983; effective Jan. 1, 1983.

Israel

General security of information agreement. Effected by exchange of notes at Tel Aviv and Jerusalem July 30 and Dec. 10, 1982. Entered into force Dec. 10, 1982.

Malaysia

International express mail agreement, with detailed regulations. Signed at Washington and Kuala Lumpur Feb. 14 and Mar. 14, 1983. Entered into force June 1, 1983.

Mexico

Agreement amending the agreement of June 2, 1977 (TIAS 9852) relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of notes at Mexico Feb. 9, 1983. Entered into force Feb. 9, 1983.

Memorandum of understanding concerning the furnishing of launch and associated services for the MEXSAT project. Signed at Mexico Nov. 18, 1982.

Entered into force: Mar. 18, 1983.

Peru

Agreement for sale of agricultural commodities, relating to the agreement of Apr. 26, 1978 (TIAS 9604), with memorandum of understanding. Signed at Lima Mar. 29, 1983. Entered into force Mar. 29, 1983.

Qatar

International express mail agreement, with detailed regulations. Signed at Doha and Washington Jan. 19 and Feb. 14, 1983. Entered into force June 1, 1983.

CHRONOLOGY

Romania

Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed, or insured by the U.S. Government and its agencies, with annexes. Signed at Bucharest Mar. 10, 1983.

Entered into force: Apr. 22, 1983.

Agreement relating to trade in cotton textiles, with annex. Effected by exchange of notes at Bucharest Jan. 28 and Mar. 31, 1983; effective Jan. 1, 1983.

Sri Lanka

Agreement extending the agreement of May 12 and 14, 1951, as amended and extended (TIAS 2259, 4436, 5037, 10319), relating to the facilities of Radio Ceylon. Effected by exchange of notes at Colombo Mar. 23 and Apr. 5, 1983. Entered into force Apr. 5, 1983.

¹Not in force.

²This listing includes only actions related to the agreement as amended; actions by parties to the original agreement are not included.

³With reservation(s).

⁴With declaration(s).

⁵Not in force for the U.S. ■

April 1983

April 1

The Board of Governors of the International Monetary Fund approves a proposed 47.4% increase in the members' quotas. Each member country has until November 30 to consent to the proposed quota increase.

April 7

In a White House ceremony, the following Ambassadors present their credentials: Mariano BAPTISTA Gumuchio, Republic of Bolivia; Benjamin W. Mkapa, United Republic of Tanzania; James O'Neil-Lewis, Republic of Trinidad and Tobago; Dr. Alvaro GOMEZ Hurtado, Republic of Colombia; ZHANG Wenjin, People's Republic of China; Ali Salim Badar Al-Hinai, Sultanate of Oman.

The United States voices regret over two separate actions announced by the Chinese Minister of Culture and the All-China Sports Federation to cancel all planned remaining activities under the 1982-1983 U.S.-China Implementing Accord for Cultural Exchange as well as all remaining U.S.-China sports exchanges scheduled for 1983. The Chinese actions were made after the United States had granted asylum to Chinese player Hu Na.

April 7-9

Ecuador President Osvaldo Hurtado makes an official working visit to Washington, D.C. to meet with President Reagan, Secretary Shultz, and Vice President Bush to discuss economics and support for democracy in this hemisphere.

April 9-15

Under Secretary for Political Affairs Lawrence Eagleburger visits Algeria and Tunisia for a general discussion on U.S. bilateral relations and other matters of mutual interest.

April 10-11

Canadian Foreign Minister Allan J. MacEachen and Secretary Shultz meet in Washington, D.C. to discuss international and bilateral issues.

April 10-14

During a private visit to the United States, Sri Lankan Prime Minister Ranasinghe Premadasa meets with the President and Vice President.

April 10-15

Egyptian Minister of State Boutros Ghali makes an unofficial working visit to Washington, D.C. to meet with top U.S. officials.

April 11-15

Sultan Qaboos bin Said of Oman makes a state visit to Washington, D.C. to meet with top U.S. officials to discuss regional issues such as the Iraq-Iran war, Lebanon, and the Middle East peace process.

April 14-15

Chancellor Helmut Kohl of the Federal Republic of Germany visits Washington, D.C. in his capacity as Chairman of the European Council. He meets with President Reagan to discuss U.S.-European Community issues, U.S.-German relations, and other matters of mutual interest. Chancellor Kohl is accompanied by F.R.G. Vice Chancellor and Foreign Minister Hans-Dietrich Genscher.

April 15

Nicaraguan patrol boats intercept and seize two Costa Rican sport fishing boats in that country's waters and take three U.S. citizens and their two Costa Rican guides to Nicaragua. With the help of Costa Rican authorities, they are returned to that country on April 16.

April 18

The U.S. Embassy in Beirut, Lebanon, is bombed. Initial reports indicate that there are at least 33 casualties, including U.S. citizens. Two U.S. citizens are missing. In a statement, President Reagan denounces "the vicious terrorist bombing" as a "cowardly act," and vows that the United States will not be deterred in its efforts to secure peace in that region.

April 18-19

Secretary Shultz visits Mexico to discuss a whole range of bilateral issues, including trade and financial issues, as well as regional problems such as Central America. He is joined by Treasury Secretary Regan and Commerce Secretary Baldrige, as well as representatives of the Department of

Agriculture and the Office of the Special Trade Representative.

April 19

The State Department announces that it has moved to expel two members of the Cuban Mission to the United Nations for engaging in "hostile intelligence activities aimed at the United States." Although accredited to the United Nations for the purpose of engaging in diplomatic activities there, the two officers, Ramon Salup Canto and Joaquin Rodobaldo Penton Cajas, have engaged in hostile intelligence activities aimed at the United States in blatant violation of their privileges of residence.

The State Department informs the Soviet Embassy that Yevgeniy Barmyantsev, an Assistant Military Attache of the Embassy, declared *persona non grata* for activities incompatible with his diplomatic status.

April 20

The Senate Foreign Relations Committee and the House Foreign Affairs Committee approve a \$251 million supplemental aid package for Lebanon for fiscal year 1983. Additional language requires congressional authorization if the Administration wants to substantially increase the number or expand the role of U.S. forces now in that country. The bills approved by the two committees will go to the full House and Senate.

The State Department releases a report citing and analyzing Soviet forgery efforts aimed at discrediting the United States. These false documents comprise part of the Soviet active measures program, an intelligence program which uses forgeries, front groups, and other disinformation techniques to further Soviet policy.

The USUN Mission informs the UN Soviet Mission that Aleksandr Mikheyev, who was temporarily assigned to the Mission, is being expelled from the United States for activities incompatible with his status.

April 21-23

Under Secretary of State Lawrence S. Eagleburger heads a special U.S. Government delegation to honor the brave men and women victimized by a terrorist attack while serving the United States in Lebanon. In a special plane, which is greeted by the President at Andrews Air Force Base, the delegation escorts the bodies home. Delegation meetings with Lebanese officials serve to underscore the depth of U.S. gratitude to the brave members of Lebanon's Internal Security Force and military services.

April 22

A total of 17 U.S. citizens' bodies have now been recovered from the rubble of the U.S. Embassy in Beirut. Eighteen Foreign Service nationals are confirmed dead and 15 are counted as missing and presumed dead.

April 24

Austrian Chancellor Bruno Kreisky announces his intention to step down after his

PRESS RELEASES

Socialist Party loses its clear majority in Parliament in national elections.

April 24-May 11
At President Reagan's request Secretary Shultz makes an official visit to Egypt, Israel, and Lebanon to help resolve the issue of foreign troops in Lebanon. The primary purpose of the trip will be to bring about a successful conclusion to the negotiations on troop withdrawal from Lebanon. Upon his return, the Secretary stops in Paris to attend a meeting of the OECD [Organization for Economic Cooperation and Development] May 9-10.

April 26
A memorial service is held at Washington's National Cathedral for the U.S. citizens and Lebanese who were victims of the Beirut Embassy bombing.

April 27-28
Canadian Prime Minister Pierre Trudeau makes a working visit to Washington, D.C. to meet separately with the President and Vice President to discuss the upcoming Williamsburg Economic Summit and security issues, including arms control. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*96	4/4	Ambassador Brock to address conference on U.S. trade and investment in Africa, Houston, Apr. 14.
*97	4/5	John Melvin Yates sworn in as Ambassador to Cape Verde (biographic data).
*98	4/5	Wesley William Egan, Jr. sworn in as Ambassador to Guinea-Bissau (biographic data).
*99	4/5	Program for the official working visit of Ecuadorean President Osvaldo Hurtado Larrea, Apr. 7-9.
*100	4/7	U.S., Hungarian People's Republic sign bilateral textile agreement, Feb. 15 and 25.
*101	4/11	Program for the state visit of His Majesty Qaboos bin Said, Sultan of Oman, Apr. 11-15.
*102	4/11	Shultz: interview on CBS morning news.
103	4/11	Dam: address to World Affairs Council of St. Louis, St. Louis.

*104	4/12	U.S., U.K. consultations on recent developments in international communications.
*105	4/12	U.S. Organization for the International Radio Consultative Committee (CCIR), study group 7, May 2.
106	4/12	Shultz: news conference.
*107	4/12	Program for the official working visit of F.R.G. Chancellor Helmut Kohl, Apr. 14-15.
108	4/13	Shultz: statement before the Senate Finance Committee.
109	4/20	Shultz: address to Dallas World Affairs Council, Dallas, Apr. 15.
109A	4/20	Shultz: question-and-answer session following Dallas address, Apr. 15.
110	4/19	Shultz: statement on bombing of U.S. Embassy in Beirut, Mexico City, Apr. 18.
*111	4/19	Shultz, Regan: joint press conference en route to Mexico City, Apr. 17.
*112	4/12	Rank of Ambassador accorded Diana Lady Dougan as Coordinator for International Communications Policy (biographic data).
113	4/20	Shultz: statement before the Senate Armed Services Committee
*114	4/20	U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCITT), integrated services digital network (ISDN), May 10-12.
*115	4/20	CCIR, study group 2, May 13.
*116	4/20	Advisory Committee on International Intellectual Property, May 10.
*117	4/20	CCIR, study group 1, May 13.
*118	4/20	Advisory Committee on International Investment, Technology, and Development, May 18.
*119	4/20	Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), working group on carriage of dangerous goods, June 7.
*120	4/20	Overseas Schools Advisory Council, June 15.
*121	4/20	Shultz: remarks at opening of U.S.-Mexico Binational Commission, Mexico City, Apr. 18.
122	4/20	Shultz, Regan, Sepulveda: news conference, Mexico City, Apr. 19.

*123	4/21	Shultz: remarks before the Senate Subcommittee on Appropriations for Commerce, Justice, State, the Judiciary.
*124	4/25	SCC, SOLAS, panel on bulk cargoes, May 17.
*125	4/26	Program for the official working visit of Canadian Prime Minister Pierre Elliott Trudeau, Apr. 27-28.
126	4/28	U.S.-Mexico joint statement - bilateral commission meeting, Apr. 19.
*127	4/26	Oceans and International Environmental and Scientific Affairs Advisory Committee, May 24.
*128	4/27	Shultz, Baldrige, Regan: news briefing en route from Mexico City, Apr. 19.
129	4/27	Shultz: remarks at memorial service for Beirut bombing victims, Cairo, Apr. 26.
130	4/29	Shultz, Mubarak: remarks following meeting, Cairo, Apr. 26.
131	4/27	Shultz, Shamir: arrival remarks, Jerusalem.
*132	4/28	Shultz: press briefing en route Jerusalem, Apr. 27.
133	4/29	Shultz, Shamir: toasts, Jerusalem.
*134	4/29	Shultz: news briefing en route Beirut.
135	4/29	Shultz: remarks upon arrival Beirut, Apr. 28.
136	4/29	Shultz: remarks at U.S. Embassy, Beirut, Apr. 28.
137	5/2	Shultz: departure remarks from Presidential Palace, Baabda.
*138	4/29	U.S., Lebanon sign air cargo agreement.

*Not printed in the BULLETIN. ■

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Department of State

Free, single copies of the following Department of State publications are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan

Central America: Defending Our Vital Interests, Joint Session of Congress, Apr. 27, 1983 (Current Policy #482).

Reducing the Danger of Nuclear Weapons, Los Angeles World Affairs Council, Los Angeles, Mar. 31, 1983 (Current Policy #473.).

Secretary Shultz

Modernizing U.S. Strategic Forces, Senate Armed Services Committee, Apr. 20, 1983 (Current Policy #480).

Struggle for Democracy in Central America, Dallas World Affairs Council and Chamber of Commerce, Dallas, Apr. 15, 1983 (Current Policy #478).

Caribbean Basin Economic Recovery Act, Senate Finance Committee, Apr. 13, 1983 (Current Policy #477).

Africa

Africa's Economic Crisis (GIST, Apr. 1983).

Arms Control

Implications of a Nuclear Freeze, Assistant Secretary Burt, Subcommittee on Procurement and Military Nuclear Systems, House Armed Services Committee, Mar. 9, 1983 (Current Policy #470).

East Asia

Indochinese Refugees (GIST, Apr. 1983).

Economics

Looking Toward Williamsburg: U.S.

Economic Policy, Deputy Secretary Dam, Graduate Institution of International Studies, Geneva, Switzerland, Mar. 21, 1983 (Current Policy #479).

Meeting the Global Challenge: Leadership in the 1980s, Under Secretary Wallis, The Executives' Organization, Scottsdale, Arizona, Mar. 20, 1983 (Current Policy #474).

Economics and Security: The Case of East-West Relations, Under Secretary Wallis, U.S.-German Industrialists' Group, New York, Mar. 7, 1983 (Current Policy #465).

U.S. Exclusive Economic Zone (EEZ) (GIST, Apr. 1983).

Europe

Background Notes on Monaco (Mar. 1983).
Background Notes on Turkey (Mar. 1983).

Foreign Aid

International Security and Development Cooperation Program, Apr. 4, 1983 (Special Report #108).

Middle East

A Time for Reason and Realism in the Middle East, Deputy Secretary Dam, St. Louis World Affairs Council, St. Louis, Apr. 11, 1983 (Current Policy #475).
Background Notes on Libya (Apr. 1983).

Oceans

Oceans Policy and the Exclusive Economic Zone, President Reagan, (proclamation and statement) Assistant Secretary Malone, the Mentor Group, Washington, Mar. 10, 1983 (Current Policy #471).

Trade

UNCTAD VI and the North/South Dialogue (GIST, Apr. 1983).

South Asia

Background Notes on Afghanistan, (Apr. 1983).

Western Hemisphere

Nicaragua: Threat to Peace in Central America, Assistant Secretary Enders, Senate Foreign Relations Committee, Apr. 12, 1983 (Current Policy #476).
El Salvador's Land Reform (GIST, Apr. 1983). ■

Foreign Relations Volume Released

The Department of State released today *Foreign Relations of the United States, 1951, Volume VII, China and Korea*. The *Foreign Relations* series has been published continuously since 1861 as the official record of U.S. foreign policy. The volume released today is the sixth of seven volumes covering the year 1951. Three other volumes recording the years 1952-1954 have also been released.

The volume presents 2,055 pages of documents, most of them previously unpublished and highly classified. The volume is published in two parts. The index to both parts is in Part 2.

The 1,473 pages of documents in Part 1 deal with major U.S. actions during the year relating to the Korean War, including definition of war objectives, relations with the UN coparticipants, the decision to relieve General Douglas MacArthur, and the initiation of truce talks. There is also material on U.S. economic and military aid to the Republic of Korea (ROK), and U.S. rela-

tions with the ROK Government headed by Syngman Rhee.

The 582 pages in Part 2 cover U.S. policy toward China, including U.S. policy toward the People's Republic of China (PRC) and U.S. relations with the Nationalists. Part 2 also contains material on U.S. policy with respect to Taiwan and U.S. interest in developments in Tibet. The volume concludes with documents on U.S. policy regarding restrictions on trade with the PRC and North Korea.

Foreign Relations, 1951, Volume VII, was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. Copies of Volume VII (Department of State Publication Nos. 9270 and 9271; GPO Stock No. 044-000-01931-1) may be purchased for \$30.00 (domestic postpaid) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Checks or money orders should be made out to the Superintendent of Documents.

Press release 81 of Mar. 22, 1983. ■

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The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

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Secretary of State

JOHN HUGHES

Assistant Secretary for Public Affairs

PAUL E. AUERSWALD

Director,
Office of Public Communication

NORMAN HOWARD

Chief, Editorial Division

PHYLLIS A. YOUNG

Editor

JUANITA ADAMS

Assistant Editor

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President Reagan meets with Henry Kissinger whom he recently appointed Chairman of the 12-member National Bipartisan Commission on Central America. Also present are (clockwise from left): Chief of Staff and Assistant to the President, James A. Baker III, Secretary Shultz, and Vice President Bush.

Saving Freedom in Central America

by President Reagan

*Address before the
International Longshoremen's Association (ILA)
in Hollywood, Florida,
on July 18, 1983.¹*

Our democracy encompasses many freedoms—freedom of speech, of religion, of assembly, and of so many other liberties that we often take for granted. These are rights that should be shared by all mankind. This union has always patriotically stood up for those freedoms. And that's why I want to talk to you today about freedom not in the United States but in a part of the world that's very close and very important to us—Central America.

We all know that Central America suffers from decades of poverty, social deprivation, and political instability. And because these problems weren't dealt with positively, they are now being exploited by the enemies of freedom. We cannot afford the luxury of turning away from our neighbors' struggles as if they didn't matter. If we do turn away, we'll pay a terrible price for our neglect.

In April, I reported to the Congress that the problems in Central America have the potential to affect our national security. This is still the case, and I want to reinforce it. Many of our citizens don't fully understand the seriousness of the situation, so let me put it bluntly: There is a war in Central America that is being fueled by the

Soviets and the Cubans. They are arming, training, supplying, and encouraging a war to subjugate another nation to communism, and that nation is El Salvador. The Soviets and the Cubans are operating from a base called Nicaragua. And this is the first real communist aggression on the American mainland. And we must never forget that here in the Western Hemisphere we are Americans in every country from pole to pole.

This Florida community where we meet today is closer to Nicaragua than it is to Washington, D.C. Two-thirds of our foreign trade and nearly half of our petroleum pass through the Caribbean. It's well to remember that in early 1942, a handful of Hitler's submarines sank more tonnage in that area than in all of the Atlantic Ocean. And they did this without a single naval base anywhere nearby. Today, Cuba is home to a Soviet combat brigade, a submarine base capable of servicing Soviet subs, and military air bases visited regularly by Soviet military aircraft. If the Nazis during World War II and the Soviets today have recognized that the Caribbean and Central America are vital to our interests, don't you think it's about time that we recognized that, too?



(White House photo by Michael Evans)

THE PRESIDENT

Some people throw up their hands and say, well, there's not much we can do down there. They say poverty and violence and repression in Central America are just the way of life, that democracy can't work. I say baloney, and I think we'd all say something stronger if we were down on the docks. Costa Rica is as strong a democracy as you will find anywhere with a long history of peace, free elections, and stability. They don't even have an army. If democracy can work in Costa Rica and Honduras, it can work in El Salvador and Nicaragua and Guatemala. There is still time for the people of Latin America to build a prosperous, peaceful, and free future. And we have an obligation to help them—for our own sake as well as theirs.

People throughout Latin America are waiting to see if Republicans and Democrats in this country can work together to make the United States what it should be: a loyal friend and reliable defender of democracy and human decency. I believe that we must exercise that leadership. And the time is now.

Since I spoke to the Congress in April, Cuba has sent one of its best known combat generals to Nicaragua. More Cuban soldiers and Soviet suppliers have arrived in Nicaragua. This cannot be allowed to continue.

Tomorrow, July 19th, is the fourth anniversary of the Sandinista revolution. This was a revolution that promised to bring freedom to the Nicaraguan people; history will call it the revolution of broken promises. Tomorrow the nine military commanders who rule Nicaragua with Cuban and Soviet power will indulge in boastful revolutionary rhetoric. But there are few left who will believe them. The consensus throughout the hemisphere is that while the Sandinistas promised their people freedom, all they've done is replace the former dictatorship with their own—a dictatorship of counterfeit revolutionaries who wear fatigues, and drive around in Mercedes sedans and Soviet tanks, and whose current promise is to spread their brand of "revolution" throughout Central America.

What kind of freedom have the Sandinistas established? Just ask the 1,300 stevedores at the Nicaraguan port of Corinto. Last month, their union assembly was packed with Sandinistas and six union leaders were arrested. Their presumed crime was trying to develop ties with independent trade

unions, including some here affiliated with the AFL-CIO. I can tell you one thing. If all the longshoremen in Corinto are like Teddy Gleason [ILA president], the Sandinistas have got a real fight on their hands. Matter of fact, if they've got one like you, Teddy, they may be like those two fellows who were up sawing on a limb, and one of them fell off. And there was a wildcat down below, and there were sounds of struggle coming up, and the one still up on the limb called down and said, "Hold on." And he said, "Hold on?" He said, "Come down and tell me how to let him go."

What kind of democracy is it? Ask the Nicaraguan refugees who've risked starvation and attack to escape to Honduras. Let me read to you directly from a newspaper article: "... one Nicaraguan man—still filthy, ragged, and, above all, hungry after an odyssey that began 5 weeks ago—breathed a note of thanks: 'God has smiled on us.' " Imagine, with barely clothes on his back and nothing in his stomach, he believed God had smiled on him because he had arrived in free, democratic Honduras.

This man fled Nicaragua in May with many others when they learned the Sandinistas planned to relocate their villages. Let me quote again what one of the refugees had to say: "We left everything. We left the pigs, the corn, the animals. . . . This year they wouldn't let us plant, because they wanted us to move closer to the military bases, they wanted us to be in the militia, and we did not want to be executioners."

When the Sandinistas first took power, all their neighbors hoped that they would embrace democracy as they promised. In the first year and a half after the revolution, the United States sent \$118 million worth of emergency relief and recovery aid to Nicaragua, more than provided by any other country in the world. But the Sandinistas had lied. They rejected their pledges to their own people, to the Organization of American States (OAS), and to the world.

Let me say a few more words about those specific promises. The Sandinistas had promised the Organization of American States that they would hold elections and grant all human rights that go with a democracy. In short, they literally made a contract to establish a true democracy. The dictator Somoza was then persuaded by the OAS to resign, and the government was turned over to the revolutionaries and recognized officially by the OAS.

So far so good. But then, one faction of the revolutionaries—backed by Cuba and the Soviet Union—seized total power and ousted their revolutionary comrades who'd been fighting to establish a real democracy. Nicaragua is today a nation abusing its own people and its neighbors. The guerrilla bands fighting in Nicaragua are trying to restore the true revolution and keep the promises made to the OAS. Isn't it time that all of us in the Americas worked together to hold Nicaragua accountable for the promises made and broken 4 years ago?

The Link Between Nicaragua and El Salvador

There is a vital link between what's happening in Nicaragua and what's happening in El Salvador. And the link is very simple: The dictators of Nicaragua are actively trying to destroy the budding democracy in neighboring El Salvador. El Salvador is moving toward a more open society and government in the midst of a foreign-supported guerrilla war. National presidential elections are planned. Through their Peace Commission, they've offered to talk even to the violent opposition about participation in the forthcoming elections. They have implemented an effective land reform program which has provided land for over half a million Salvadorans, and they've given amnesty to former guerrillas.

This is El Salvador's revolution—it is one that is building democracy. Contrast this with the corrupted revolution in Nicaragua—one which has repressed human liberties, denied free unions and free elections, censored the press, threatened its neighbors, and violated public pledges.

It's time El Salvador is recognized for what they're trying to do. And it's true that their path has been a hard one. Peaceful change has not always been easy or quick. We realize the human rights progress in El Salvador is not all we would like it to be. The killing must stop. But you have to realize much of the violence there—whether from the extreme right or left—is beyond the control of the government. El Salvador is moving in the right direction. Its elected government is committed to further improvement. They need and they deserve our help.

Just remember that scene last year when, after months of campaigning by a variety of candidates, the people of El Salvador were offered a chance to vote, to choose the kind of government they

wanted. The guerrillas threatened death to anyone who voted. They destroyed hundreds of buses and trucks to keep the people from getting to the polling places. Their slogan was brutal: "Vote today and die tonight." But on election day, an unprecedented 80% of the electorate braved ambush and gunfire and many of them trudged for miles to vote for freedom.

Members of our Congress who went there as observers told me of a woman who was wounded by rifle fire on the way to the polls. She refused to leave the line to have her wound treated until after she had voted. Another woman had been told by the guerrillas that she would be killed when she returned from the polls. She was a grandmother, and she told the guerrillas, "You can kill me, you can kill my family, you can kill my neighbors. You can't kill us all." The real freedom fighters of El Salvador turned out to be the people of that country. The world should respect this courage and not allow it to be belittled or forgotten. And I say that we can never turn our backs on that.

U.S. Role

The United States has only recently attempted to correct past neglect so that we could help Central America's struggle for freedom. We are working for political and economic development. Most of our aid is not military at all. Seventy-seven cents out of every dollar we will spend there this year will go for economic assistance—food, fertilizers, and other essentials to help break the vicious cycle of poverty. And make no mistake about this—of all the words I've spoken today, let me underline these especially: America's emphasis in Central America is on economic and social progress, not on a purely military solution.

But to give democracy and development a chance to work in the face of increasing attacks, we are providing a shield of military training and assistance to help our neighbors protect themselves. Meanwhile, the trade provisions of the Caribbean Basin Initiative (CBI) will stimulate production and employment. Last week's congressional vote on the CBI is a step toward more work for their longshoremen and ours.

Nor is that all. We are actively supporting the search for political solution and dialogue among and within these nations. We know that ultimately peace can come only if people talk to each

other and learn to accommodate in an atmosphere of freedom. To this end I dispatched my special emissary to the region. Despite the fact that the guerrillas rejected our offer, we remain ready to facilitate free and open elections. We also support the process started at Contadora for a multilateral approach to peace.

In my speech to the joint session, I asked the Congress to join me in a bold, generous bipartisan approach to the problems of peace and poverty, democracy and dictatorship in this region. Many Members of the Congress have responded in a genuine spirit of cooperation despite divergent views on specific strategy. Senators Jackson and Mathias, Congressmen Barnes and Kemp, have suggested the formation of a national commission to build on our bipartisan concern for these key issues.

I agree with them that this is a good idea. So, today, I am announcing a bipartisan national commission on Central America. The commission will lay the foundation for a long-term unified national approach to the freedom and independence of the countries of Central America. The commission will be honored by a very distinguished American, outstanding in the field of diplomacy—virtually a legend in that field—it will be headed by Dr. Henry Kissinger, who will present recommendations to me later this year. Their focus will be long term, looking to what it is that we want and what we must do in the years ahead to meet the underlying problems of the region.

In the meantime, we must not allow totalitarian communism to win by default. But we cannot succeed unless the Congress approves the necessary resources. All that our neighbors ask is for the tools to do the job themselves. And I ask you and every American regardless of political party to join in a common effort to promote freedom for all the people of this hemisphere. Just as you work so your children will have a better future, the United States must work so that the fledgling democracies of this hemisphere will have a better future and so that our own future can be more secure. The legislative branch must bear its share of responsibility for ensuring this promise.

You know, I was down in that area on a trip. I met with the heads of several of the states of Central and South America. And I pointed something out to them that very often we tend to forget. This Western Hemisphere is unique. We are, as I said before, 30 countries down there, 3 here on the northern continent, but we all are Americans. We cross the line into another country; it is still North and South and Central America. And we haven't gotten together the way we should. We don't know enough about that area. And we need to do more. Can you imagine what a power for good in the world these two continents, linked by the isthmus of Central America—we worship from North Pole to South Pole the same God, we have the same heritage of coming here as pioneers to

Commission on Central America

Chairman

Dr. Henry A. Kissinger

Members

Nicholas F. Brady, Managing Director, Dillon Read & Co., Inc.

Henry G. Cisneros, Mayor of San Antonio

William P. Clements, Jr., former Governor of Texas

Dr. Carlos F. Diaz-Alejandro, professor of economics, Yale University

Wilson S. Johnson, President, National Federation of Independent Business

Joseph Lane Kirkland, President, AFL-CIO

Dr. Richard M. Scammon, political scientist

Dr. John R. Silber, President, Boston University

Potter Stewart, Associate Justice, Supreme Court of the United States (retired)

Ambassador Robert S. Strauss, Attorney at Law

William B. Walsh, President, Project Hope

President's Representative to the Commission

Jeane J. Kirkpatrick, U.S. Ambassador to the United Nations

Executive Director of the Commission

Harry Schlaudeman, U.S. Ambassador to Argentina ■

THE PRESIDENT

these virtually undiscovered continents. And what a power for good we could be with all the resources available to these continents if we help them in achieving what we have achieved here in this land in freedom, in economic progress, in standard of living.

Human rights means working at problems, not walking away from them. Without the necessary funds, there's no way for us to prevent the light of freedom from being extinguished in Central America, and then it will move on from there. A truly bipartisan approach to these problems can produce the kind of progress that will help the people of the region help themselves.

You know I've heard already and before—knowing Teddy Gleason, you know I've heard—that ILA stands for I love America. And that's true. I don't think America has a more patriotic union than this one. This union is great for the same reason America is great—because so many different groups are working together, pulling together toward a common goal. The cultural diversity of this union and this country make us both strong and free.

President Harrison once said:

In America, a glorious fire has been lighted upon the altar of liberty. . . . Keep it burning; and let the sparks that continually go up from it fall on other altars, and light up in distant lands the fire of freedom.

Today, I ask you to join me in an effort to keep the light of liberty alive in Central America. We must never let freedom fade where there is a chance to save it. We must never let the embers of human dignity die out simply because it's easier to turn the other way. With a timely investment now, we can save freedom in Central America. I believe we must make that investment. I believe we have a moral responsibility to do so. And I believe with the help of organizations like the ILA we will succeed in expanding freedom for the people of Central America.

¹Text from White House press release. ■

News Conference of June 28 (Excerpts)

. . . .

Q. Jim Wright said at the White House today that there are some in Congress who don't believe that this Administration wants peace in Central America. And your aides acknowledge that the polls supporting your Central American policy have gone down and the people seem to be moving away from that. But how do you account for this?

A. I think there's a great lack of information on the part of the people. I do know that after I addressed the joint session of Congress and the people on television on that subject, there was a decided shift in favor of our position. I guess that proves the power of advertising. There has been a constant drumbeat ever since. I made one speech, but the drumbeat ever since, to the people, is somehow denigrating our position there and indicating that there's something wrong in that position.

Maybe we haven't done what we should have done in keeping the people informed of what is going on because there—very definitely—are thousands of Soviets and Cubans—Soviets in Cuba. There is a great number of them also in Nicaragua. There are thousands of Cubans, including one of their top generals, most experienced generals, in Nicaragua.

Several Congressmen have just come back from there and have told me that in speaking to people on the sides that we're against—high-ranking people—that they have told them that this is a revolution, not just for one country; this is a revolution that is aimed at all of Central America. And I think some of you should seek out those Congressmen and hear some of the things they had to say because of what they heard from these people—one individual even suggested that in a limited period of time they would be at the Arizona-Mexican border. I think the United States has a stake in what is going on there and we've got to do a better job of letting the people know what is at stake.

Q. What is it that prevents your Administration from talking to Castro, to the Sandinistas, to the representatives of the rebels in El Salvador? I mean, to at least explore negotiations, and would it really harm

the Salvadoran Government if you made that approach?

A. That is a little bit not our business either. The Salvadorans have appointed a Peace Commission that is trying to make contact—maybe has made contact—but trying to persuade the revolutionaries, the Marxists in their country to come in and discuss with them how they can accept amnesty and join in the electoral democratic process that will be taking place soon. So far they've had nothing but turndowns. On the other side in Nicaragua, it is simply reversed. It is the democratic revolutionaries who were ousted once the revolution was successful while the Marxists took over and created their totalitarian form of government. And all they want, all they're fighting for is to return to the principles of the revolution that overthrew Somoza—free elections, human rights, free press, all those things.

It isn't a case of us not wanting to talk. Early on in my Administration, we made contact with Mr. Castro. Nothing came of it, and we haven't had much success since.

. . . .

Q. You have said that you are not going to send any combat troops into Central America. But at the same time, you have said that El Salvador and the rest of the region are vital to national security and are of crucial importance to our country. Isn't there, therefore, an inconsistency in those two statements? If you think it is of that much importance to our country, why do you say you will never send combat troops in?

A. Presidents never say never. I have said that we have no plans to send combat troops nor are they needed or wanted. President Magana here said, no, that he would not ask for them. He doesn't want them. And I don't think the other countries do. I think they want to create their own democracies and continue on the path they're on. But they do, frankly, need our help in two areas. They need us to help them with training to provide arms and munitions so that they can defend themselves while they're instituting these democratic programs. And they need our economic help.

So far our help has been three to one—three-fourths of our help has been

THE SECRETARY

News Conference of June 22

Secretary Shultz held a news conference at the Department of State on June 22, 1983.¹

Q. Are U.S. efforts to obtain a withdrawal of Syrian forces from Lebanon at an impasse? If not, what is our next step, and do you or Ambassador Habib [Philip C. Habib, representative of the President to the Middle East] or Deputy Secretary Dam plan to meet with Syrian officials in the near future?

A. We have been meeting with the Israelis and with the Lebanese. We have been consulting with the Saudi Arabians and other friends in the region. We have had contact with the Syrians.

We continue to be fully engaged in this very important issue. I recall to you the President's objectives of the removal of all foreign forces from Lebanon, of the emergence of Lebanon as a sovereign country able to rule itself and develop, and to provide measures that ensure the security of Israel's northern frontier. We continue to work for those objectives. Ambassadors Habib and Draper [Morris Draper, special negotiator for Lebanon] will be returning to the area probably the day after tomorrow, and we will continue to be fully engaged and work on it.

Q. What if the Israelis redeploy their forces to the south? Would that be a setback in terms of a total withdrawal of all foreign forces, and is there any deadline inherent in that?

A. There are no particular deadlines, although, obviously, the sooner a withdrawal process can start, the better. I'm speaking of a full withdrawal process. That is what we want. I say the sooner the better because it's a very tense area. When you have tension, the sooner you relieve it, the more you reduce the risks.

One would hope that if there is any move in the direction of withdrawal, it would be part of an overall program. In any case, whatever happens, I'm sure there will be intensive discussion between the parties most directly concerned.

Q. But if there were a partial redeployment of the Israelis, would that be a setback in terms of the full withdrawal?

A. That depends upon the conditions under which it takes place. There is, of course, inherently a sense that when one of the foreign forces with-

draws, that is part of the territory of Lebanon they can take control over. Nevertheless, we have to come back and judge anything that happens according to these major objectives, not only of the President but of the others that we have been working with in the area.

Q. The situation in Lebanon itself, with the Syrians apparently trying to take control of the PLO [Palestine Liberation Organization] in the Bekaa Valley and with the Syrians also attempting to set up local autonomous rule in part of the Bekaa Valley, doesn't lend itself to much optimism in terms of a Syrian withdrawal at any time soon. Do you have any reason to believe that ultimately the United States may be successful in getting the Syrians to withdraw?

A. We certainly are going to continue to work on that problem. As you point out, I think quite correctly, there are obvious indications that the problems are real. Nevertheless, there is great importance throughout the world, and the Arab world, on the emergence of Lebanon again as a country that is free of foreign forces and great support for that idea. I think and hope in the end we'll have success and the Lebanese will succeed.

Q. A debate is raging in the press about the central message that you meant to convey in your statement on Soviet-American relations to the [Senate] Foreign Relations Committee last week. Would you care to join and maybe settle that debate?

A. I've been asked that question a lot. I have, after trying a variety of answers, settled on this one. My advice is: Read the statement and draw your own conclusions. Don't depend on somebody else.

Q. Can you give us any details on the deaths of the two American journalists today in Central America, and have you determined as yet where the fire came from that hit their car?

A. I understand that the fire came from Nicaragua, and it hit their car. They were in a zone which was known to be a dangerous zone, and they had been warned, as I understand it, before they went there. But the fire did come from Nicaragua, and I want to take the occasion to express my sorrow and my condolences to their families.

in the area of economic relief and only one-fourth military. And those in the Congress who want to whittle this down to where it is a pittance—they don't say, "No, we won't give you anything—give you a few dollars here and a few dollars there." In my opinion, what they're doing is choosing between instant death and letting those countries bleed to death. Then they want to be able to blame somebody else because they passed a nickel instead of a dollar. All that those countries want from us is this economic help and the help that we're giving them. You know, it's a funny thing. There's 1,500 Cubans training in Nicaragua and there's 55 Americans in El Salvador and all everyone seems to think is a sin is our 55.

Q. You say, though, that you'll never say never. You're not giving a pledge to the American people then that you will not send combat troops in? Is that right?

A. You were asking a kind of a hypothetical question so I gave a hypothetical answer, and it's an old saying that "Presidents should never say never." They blew up the *Maine*. But, no, I see no need for it. They've never been asked for. Nor do we have any plans or intention of sending troops to those countries.

Q. On Poland, do you think that at this point Lech Walesa ought to step back from the leadership role he has taken? And do you have any reason to believe that if he does step back from the limelight in the Solidarity leadership position that martial law in Poland would improve to the point where you could come through with a kind of relief for the Polish economy you mentioned last week?

A. I wouldn't be able to answer that because I know that the conversations between General Jaruzelski and His Holiness were private and no one knows, and I know that also with the conversations with Lech Walesa. I don't know what that situation is. I only know what the Pope himself has stated, and that is that he has urged the Government of Poland to allow a free union that is not subject to government control. And if they did that, I think that we would review what we were doing and turn back from some of those things.

¹Text from Weekly Compilation of Presidential Documents of July 4, 1983. ■

THE SECRETARY

Q. I would like to give you another chance on Dan Shorr's question.

A. I thought that might come back. There is a fundamental point when people complain about news stories of one kind or another, that they should read something and then figure it out for themselves and not depend on the opinion of someone else.

Q. In the carpentry of that particular speech, clearly, there must have been an emphasis in your mind of some sort of signal you wanted to get to the Kremlin, and we have in fact had mixed interpretations. We would like a little background guidance from you.

A. I think there are two signals, if you want to use that terminology: strength and diplomacy. We want to make it clear that we are determined to be strong, to be able to defend our interests. We have strong allies. We're working effectively with them; there is cohesion, and we are determined. At the same time, we and our allies both would prefer a more constructive dialogue and set of arrangements with the Soviet Union than we now have.

In the statement I say that we are prepared to engage in that kind of discussion. I think it's a question of both sides of the coin. They're both there.

Q. Since you made that statement, and given the statements made by Foreign Minister Gromyko, do you sense, in what the Soviets have been saying, any indication of a Soviet response to the diplomatic side of your two-signal approach?

A. You can take a statement like the full text which I read of Mr. Gromyko's speech a few days ago and, for the most part, it is, I would say, a very tough and categorical kind of speech and set of statements. However, it is interlarded with comments about the desire for—his term was, at least, as translated—smoother relations, and so you find that intermixture.

It's fair to say that this combination of strength and diplomacy has been present in statements made by a variety of people, including General Secretary—or now President—Andropov and President Reagan. The question is, will there be a development in terms of substance?

There are a wide variety of places in which discussions are going on between ourselves and the Soviet Union and our allies in the Soviet Union. There are many fora where substantive issues can be explored. And in those fora, we are

prepared with reasonable positions and a spirit of give-and-take. So we'll see whether or not we have a kind of response that can allow the diplomatic side of this to develop.

Q. Have you decided yet whether or not the United States will engage in a direct dialogue with representatives of the left in El Salvador, and whether that dialogue will be conducted with Ambassador Stone [Richard B. Stone, special representative of the President to Central America] here, there, under what conditions?

A. The basic dialogue that has been put forward has been put forward by the Peace Commission in El Salvador, which has stated its willingness to discuss with the left conditions under which they might enter the electoral process. That is the right body to conduct those discussions, and the right way for it to go. If we can facilitate that, and I think if that is to happen, it would undoubtedly be through Ambassador Stone's efforts. If we can facilitate that, we're glad to do so but, fundamentally, I think the responsibility rests with the people of El Salvador, and they have designated the Peace Commission as the body to engage in that discussion.

Q. There seems to be some confusion about the meaning of the terms under which the MX missile might be abandoned. Is this meant as a serious negotiating offer, or is it meant to simply convey the idea that it would be very, very difficult to talk us out of the MX?

A. This blowup today about that subject is puzzling because I don't think that there's anything particularly new to be said on the subject. Let me just review where we are. The first point to remember is that the Peacekeeper, or MX, as it is deployed, will be a very important modernization of the land-based leg of our triad deterrent force. That's the fundamental reason why the President is recommending it, the Scowcroft commission recommended it, and why it's being funded and put there.

At the same time, we are in the process of a wide-ranging discussion with the Soviet Union aiming at reductions in strategic arms. That's including the whole variety of arms that fall under that category. So all of these things are under discussion. But I don't think there is anything particular to recommend, picking out a particular element in that bargaining and trying to place it against

some other element in that bargaining. If we are able to reach a result, which I hope very much that we are, there will be a package of things that will be worked out between the parties, and that's always the way it is in any complicated bargain, not an equation of any one thing.

Q. On that point a number of people in Congress have said that they believe the MX was essentially put forth as a bargaining chip. But General Scowcroft, himself, has said that is not the case, that there are no conditions under which it would not be deployed. Was it meant to be a bargaining chip?

A. I've just answered that question, but I'll try it again. The reason for the proposed deployment and eventually the deployment of the MX or Peacekeeper missile is that it constitutes a key ingredient in the land-based leg of the triad of deterrent forces. That is the basic sum and substance of it. We are engaged in a bargaining process, and the bargaining process is about strategic forces. The MX, or Peacekeeper, is part of those strategic forces, so it's something that has to be taken account of in those discussions. It's basically as simple as that.

Q. If I can come back to the dialogue with the Soviet Union. Could you give us some of the flavor of the talks? What I mean is aside from the arms control forums, which we all know about. Now, you've been, I gather, talking to [Soviet] Ambassador Dobrynin, and presumably [U.S.] Ambassador Hartman had some talks in Moscow. Are these more in the way of each side reading its own brief, or are there actually any proposals put on the table, or is it a kind of a sterile discussion? We don't get any sense of any give and take here.

A. I can't point to results that show that somehow we're making genuine progress from the variety of talks we're involved in, and by and large you know them well. There are the INF [intermediate-range nuclear forces] talks in Geneva; there are the START [strategic arms reduction talks] talks in Geneva; there are the chemical warfare talks in Geneva; there are the MBFR [mutual and balanced force reductions] talks in Vienna; there are Max Kampelman's discussions in Madrid; there are the ambassadorial discussions that you mentioned; there are a wide variety of international agencies in which both countries are represented and which our

representatives sometimes get together in the venue of those talks. So there are a wide variety of things, and there are some areas where there has been some progress made.

Of course, we have positions that we express, and they do, too. At the same time there are occasions—and I've been involved in some myself—in which there is a kind of a personal give-and-take to it. But barring substantive results that we can point to that are significant, I don't think that you can say the process is leading us somewhere. In other words, I say you really have to judge it by results. There's a lot of input; there's a lot of activity, but we have to keep looking at the substance and asking ourselves in those terms whether or not we're getting anywhere, and so far we aren't. But we will keep at it, and I hope that we will get somewhere.

Q. Do you see any value in a meeting with Foreign Minister Gromyko to try to get to some of these issues at a higher level in advance of when you'd see him normally at the United Nations?

A. If it turns out, if there is a judgment that it is desirable to do that—when Foreign Minister Gromyko and I came to the end of our meeting in New York, we agreed that if it appeared to be desirable to us, we would arrange a meeting. So far it hasn't seemed worthwhile, but that doesn't mean that it couldn't be arranged. But as of now, there is no plan for such a meeting. There's nothing to bar it, however, and the possibility of it is always present, of course.

Q. [Inaudible] that a meeting will or might take place in Damascus between you and President Assad at the end of your upcoming trip to the region since you said that you are in contact with the Syrians and consultations with [inaudible]?

A. We're in contact in the sense that we have exchanged cables. Our Ambassador has met with them. They have said they are ready for and want to see a dialogue with us. We feel the same way about it, and we hope that such will be arranged. But I don't have any plan or any schedule to stop in the Middle East on my way back from Pakistan.

Q. In your talks and discussions with the Saudi Arabians and their intercession, have you felt that the Syrians perhaps would be more amenable to a withdrawal from Lebanon now since the Saudis may be involved in some of those talks?

Also you mentioned that Ambassador Habib will be going out to the region. Is he welcome in Damascus? Will he be stopping over in Damascus?

A. First, we observe a very constructive effort on the part of Saudi Arabia, and what precisely will come out of that remains to be seen. Other countries also have expressed themselves and are being helpful. Beyond that, I don't have any comment to make on the Saudi effort. As far as Ambassador Habib in Damascus is concerned, they have stated that they don't want to receive him there, so he won't go, and we will find other people who we hope will be acceptable to them and be able to carry on a discussion with them.

Q. I would like to take you back to the Honduran-Nicaraguan border where some of our colleagues were killed yesterday. That area has been heating up in recent months with military action around that border. Recently, General Alvarez, who is the head of the Honduran military, was in Washington, and he said he would like assurance from the United States that if there were a major attack by Nicaragua into Honduras, the United States would come to the aid of Honduras. Can you tell us what the U.S. attitude is about that, and how likely do you think such a thing might be?

A. We consider the situation in Central America to be of great importance to the people there and to ourselves. And because of that, we are extending great efforts there. The very large-scale shipment of arms into Nicaragua from the Soviet Union, sometimes directly and through Cuba, is not appreciated by us. It's a very unfriendly thing to do. So we would take a major outbreak of war there very seriously. Beyond that, I don't want to make a comment.

Q. Do you have the impression yet that the Soviets want to negotiate a way to get their troops out of Afghanistan? And what would you hope to accomplish on that front and on the Cambodian problem during your trip?

A. The United Nations has been conducting, for some time now, negotiations with the Soviet Union on the Afghanistan matter. Just how much progress they've made is a little difficult to interpret. The Pakistanis have been involved and, of course, have been taking a part there. I've had the opportunity to discuss that with Foreign Minister Yaqub Kahn, and I look forward to talking with him again. But I don't really

have anything to point to that says that genuine progress has been made. There is a large contingent—over 100,000, we understand—of Soviet troops in Afghanistan.

For there to be a genuine resolution of that problem, which we very much favor, it would have to include the removal of those troops; it would have to include the emergence of a non-aligned Government of Afghanistan; it would have to provide for the creation of a government that is responsive to the people of Afghanistan; and, in some way, the refugees would have to come back with honor and without prejudice. Those are the things, I think, that are pretty well agreed that we need to work for. There is a lot of effort going on, but it's hard to identify progress.

So far as Kampuchea is concerned, we have been supporting the efforts of the ASEAN [Association of South East Asian Nations] countries. I will be very interested to be talking with them in a few days in Bangkok. Again I think what we would like to see—the ASEAN countries would like to see, the Chinese would like to see—is the removal of the Vietnam forces, Soviet proxy forces from Kampuchea, and a chance for that country to revive itself.

There are a lot of interim things being talked about. Of course, the Thais are very close to that situation, so their views have to get some special weight. That is, again, something that I'll be discussing.

Q. Also, on that general region, does your trip to Asia signal an increased American commitment to the Pacific and Asian region, both in terms of defense and trade?

A. It is a fact that our trade with the nations of Asia has been increasing rapidly over quite a period of time. And if you look at the patterns of economic development, population, and so forth, I don't see how you can expect anything else but a continuation of that trend into the future. So it's a very important area for us from the standpoint of economics, and, of course, it has great strategic and security importance as well. So when we say we should be global in our outlook, it certainly means that we should be paying attention to developments in Asia, and I have been very conscious of that personally, both before being in this job and since being in the job.

AFRICA

Q. What do you make of the current struggle within the PLO? How do you interpret the Syrian involvement in that? And if Yassir Arafat was to be overthrown, would that necessarily be a bad thing?

A. We don't have a lot of contacts with the PLO, so our intelligence is all secondhand and thirdhand. I shouldn't say we don't have a lot: We don't have any direct contacts with the PLO. That always leaves you a little less well informed than you might otherwise be.

But there is, clearly, a struggle going on, and it has probably some elements of policy. There may be some elements of the results of indecisiveness involved and control over funds and bureaucracy—I don't know. The basic issue is how can it be brought about that more attention is paid to the problems of the human beings called Palestinians who live there, whose lot is a poor one, and whose prospects, not just taking it from year to year but almost from generation to generation, are not that great.

It seems to me that we do have to pay attention—not just us but the PLO and everybody—to the legitimate rights and aspirations of these human beings, and see if we can't do better by them. It must be so that one of the reasons why there has been such difficulty with conflict in the Middle East is the fact that we, as an international group of countries, have not been able to come to "grips" satisfactorily with the human condition of the Palestinian people, and we really have to bear down on it. It's a very difficult problem, I know. That's the reason it hasn't been solved. But, I think, that is the heart of the matter more than internal PLO politics.

Q. But would Arafat's coming or going bode ill or well for your ultimate objectives, do you think?

A. It's a question of the degree of unity in the PLO and the extent to which there are factions and what orientation the PLO might have, and whether or not, in the end, whatever happens might make it more possible for King Hussein to have a non-PLO, legitimate Palestinian delegation that was endorsed with him in entering the peace process. That's what we have been trying to achieve.

The extent to which Syria comes to dominate the organization, which may be happening—you read that a lot—makes it questionable, whether or not these developments would ease that

problem. So we have to look elsewhere for our method; or, perhaps, in our discussions with the Syrians, we might find some answers.

Q. Do you know of any material of American origin or American license being used by one side or the other in the war between Iraq and Iran? And if that were to happen, what would be your attitude toward it?

A. We have had an attitude of neutrality in that war, and we haven't made sales directly ourselves. We have

also prevented sales of American-licensed or American parts flowing through in somebody else's equipment.

In saying that, I don't say that nothing could possibly have slipped through our efforts—maybe you have an example in mind or something. But that has been our policy, and we have tried to follow through on it with a considerable amount of argument with some of the countries that have wanted to make those sales.

Press release 221. ■

Southern Africa: America's Responsibility for Peace and Change

by Lawrence S. Eagleburger

Address before the National Conference of Editorial Writers in San Francisco on June 23, 1983. Ambassador Eagleburger is Under Secretary for Political Affairs.

I am grateful for this opportunity to speak to you who are so involved in helping to shape this nation's consideration of critical choices. I have come to speak to an issue that has occupied an important place on this Administration's agenda—an issue of common interest to the Western world, an issue central to international stability.

From this podium, spokesmen from the several administrations of recent times have addressed the responsibilities which the United States bears for the great crisis areas of the globe—Europe, the Middle East, Asia, Latin America. Tonight I invite you to join me in considering what is at stake in southern Africa and what role we can play in shaping that region's future. My message is not an easy one. It is a message of responsibility—responsibility for the use of American influence and power in dealing with a question of substantial and growing national interest.

I do not have to tell this audience that there is a crisis in southern Africa. Nearly a decade ago, as we stood mesmerized by our engagement in Southeast Asia and by escalating warfare in the Middle East, Portugal's em-

pire in Africa collapsed. In its wake, southern Africa's conflicts, rooted as they were in longstanding struggles for decolonization and racial equality, became world issues—issues that would engage our national interests and test our resolve. Angola became an area of intense civil strife and contest between the Soviet Union and the West; the war for Zimbabwe's independence intensified; Mozambique was caught up in regional conflict; and the struggle for change in South Africa assumed more violent and polarized forms. Wars which had been more or less contained within national boundaries spread across frontiers, and the cycle of violence which has come to plague the region took root.

In retrospect, Western indifference to change in southern Africa played a part in creating this situation. As a nation we were not well equipped to deal with the region. Our involvement had been superficial; we knew little of its actors or its dynamics. Our body politic was polarized. The left was transfixed by the issue of racism, while the right was too often prepared to interpret events only in the light of the East-West competition. In spite of these domestic divisions, three administrations have attempted to catch up with fast-moving events, define our national interests, and decide how to use our influence.

The divisions of the past, I regret to say, still linger. There are those who would assure our irrelevance. As we meet here tonight, voices in our Congress, media, and public call for punitive measures against governments which do

not please us—banning bank loans to South Africa or Krugerrand imports from South Africa, denying access to the stabilization programs of the International Monetary Fund or escalating petty trade control, banning food aid to Mozambique or development assistance to Zimbabwe. Others repeat the slogans of liberation, while denying us the ability to add an ounce of political will or diplomatic investment to solving the region's problems. At a time when we need all the leverage available to us, some argue for disinvestment and escape. They confuse the making of statements with the ability to influence events.

There are those outside Africa whose motives are more cynical. They are the advocates of violence, who would turn the landscape of southern African into an enlarged version of Lebanon with the sovereignty, independence, and economic viability of the states in the region subordinated to a battle between South Africa and its neighbors. These forces would welcome such an outcome, since it would present new opportunities for neocolonial exploitation. They are more than willing to shed African blood and to supply copious quantities of weapons, even though they know violence cannot create anything of value in southern Africa. Violence, for these outsiders, is not a means to achieve national self-determination or to end apartheid. Rather, it is an end in itself, a political vehicle to enhance external influence and permit the political and ideological subjugation of independent Africa. The United States, on the other hand, proceeds from the conviction that our national interest and the interests of the West demand an engagement—constructive and peaceful—in the affairs of southern Africa. The United States is, I believe, uniquely situated to speak to all sides in the conflict.

The region has enormous potential—positive and negative. Historically, it is a zone of Western influence and has been so for 300 years. But direct Western control has ended. Decolonization, peaceful and violent, left a legacy of weak institutions, conflicting nationalisms, fear, and loss of confidence in any reliable hand.

The implications are clear. If we wish to shape events, we must be prepared to take initiatives, make investments, support those things we believe in, build institutions and bridges. We must, in short, be involved. And we must, as well, be prepared to oppose those from outside Africa who claim a right to violent intervention.

To succeed in southern Africa, we must define a coherent regional strategy. Apart from Namibia, we are talking about a community of sovereign states. Southern Africa is interdependent economically in its infrastructure, its populations, markets, its natural links and, to an important degree, in its external orientation. The region, unfortunately, suffers from a current and aggravated temptation to depend upon the instruments of violence.

One way or another the states of southern Africa have to evolve explicit or tacit ground rules for cooperation and coexistence, for the alternatives are all too obvious. Both South Africa and the independent African states to its north have enunciated at different times a vision of coexistence. Regional coexistence, the only path to peace and stability, has an additional meaning. Unless there is peace and stability in southern Africa, it will prove impossible to encourage essential change in South Africa—and by change I mean a basic shift away from apartheid.

At present, the issue of Namibia, and South Africa's continuing control there, the presence of Cuban forces in Angola, and the practice of harboring guerrillas and dissident movements to strike at targets across borders, pose severe challenges to regional security and Western diplomacy. As a region southern Africa contains parallels to the tragedies of the Middle East. A cycle of

undermined, distorted, and perhaps destroyed. No amount of Western or international support and solidarity with these states will be productive if the politics of development and coexistence continue to be subordinated to the politics of survival and war.

It is for all these reasons that this Administration has committed its prestige and energy to defining a regional strategy and using our influence to shape events. The undertaking has several aspects which, taken together, are directed at encouraging enhanced regional security, economic development, and peaceful change.

Namibia

The quest for Namibia's independence remains for this Administration, as it was for our predecessors, a key object of American diplomacy. The unresolved status of Namibia creates a dangerous vacuum in the area and serves as a magnet for violence and external meddling. Namibia remains Africa's last colony and a focal point of the continent's and the nonaligned world's attention. Its people suffer from war and outside domination. The United States long ago accepted responsibility for helping to secure Namibia's independence. We have, since then, made a considerable contribution toward achieving that goal. Under President

The position of the United States is clear. The President is committed to Namibia's independence. He wants to assist in creating a peaceful and independent Angola in a peaceful and prosperous region. He is prepared to use his full influence to achieve these ends.

violence has begun: unless it is reversed, the interests of the region and the West will be severely damaged. If southern Africa is at war, the consequences for South Africa will be clear: increased spending on war; reduced political will for addressing the domestic agenda of negotiated, evolutionary change; and a heightened polarization of attitudes that can only distort the internal South African debate about the means and forms of change. Similarly, if the region is at war, the economies and institutions of the neighboring African states will be

Ford we defined the first procedure for a peaceful move to independence. Under the Carter Administration, we joined with our allies—France, Canada, Great Britain, and Germany—in negotiating UN Security Council Resolution 435, a document of seminal importance which defines how transition to independence under UN authority will occur.

During the Reagan Administration we have faced squarely the need to secure conditions which will make it

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politically possible for South Africa to relinquish its position in a territory it has controlled since 1916.

We inherited a stalemated negotiating process. Since that time we and our allies, working through what we call the contact group, have elaborated constitutional principles to guide the framers of the constitution for an independent Namibia. We have successfully resolved a series of troublesome issues related to the role of the United Nations. The fruits of this intensive diplomacy are impressive. Through sustained and coordinated effort with our allies, the frontline states and SWAPO [South West Africa People's Organization], the South Africans, the internal Namibian parties, and the UN Secretary General and his officials, we have virtually all elements in place for the implementation of Resolution 435.

There is, admittedly, some frustration over the time it has taken to move as far as we have. But these are complex and delicate questions which have required months of quiet negotiation. There is today virtually unanimous agreement on the basis for resolving this intricate and important problem. We are at the point where the transition to independence can begin as soon as the key parties are prepared to take the necessary political decisions.

Angola

With the Government of Angola we have undertaken a separate but parallel negotiation which, if successful, will provide for the departure of Cuban forces, thus opening the way to a South African decision to implement the international agreements so painstakingly developed on Namibia's transition to independence while setting the stage for peace in Angola itself. In 1½ years of talks, we have sought to build confidence in our objectives and to establish a principle of broad applicability to the region at large.

That principle is reciprocity. Progress in the area can be achieved only if all parties make a contribution and only if the security and sovereignty of each are respected. South Africa must leave Angola's southern provinces, and it must leave Namibia. Angola, on the other hand, can make such steps possible, while remaining true to its principles, by assuring as a separate sovereign act the withdrawal of Cuban combat forces from its territory.

The position of the United States is clear. The President is committed to Namibia's independence. He wants to

assist in creating a peaceful and independent Angola in a peaceful and prosperous region. He is prepared to use his full influence to achieve these ends.

A Framework for Regional Security

The quest for peace in southern Africa does not stop with Namibia and Angola. Our diplomacy has consciously sought broader regional security. We have moved to rebuild our relations with strife-torn Mozambique. We have responded to Mozambique's difficult economic circumstances with food aid

Our policy of constructive engagement rejects simplistic stereotypes based on race and ideology as inadequate guidelines for U.S. policy.

and will shortly send an ambassador there. We have pressed for dialogue between South Africa and Mozambique and an end to cross-border violence. Our efforts have been rewarded with two rounds of talks at ministerial level between the governments and a commitment to a continued search for understanding despite the pressures of recurring violence. The dialogue is fragile, but we will continue to do what we can to foster it.

Similarly, between South Africa and Zimbabwe and South Africa and Lesotho we have quietly urged patience, restraint, and dialogue. Here again our efforts have achieved a measure of success. But, I repeat, the framework is new: It is vulnerable, and only through good will and reciprocal undertakings will it survive.

This concept of regional security in southern Africa rests on several key premises.

First, we are talking about sovereignty. Apart from Namibia, the region consists of sovereign states which recognize the rights and obligations of that statehood. Respect for international boundaries and renunciation of the use of violence across them are central to any framework for international security.

There can be no double standards for either South Africa or its neighbors. The obligations of statehood, in southern Africa as elsewhere, are basic and reciprocal.

Second, the United States categorically reaffirms the principle that all states have a duty to refrain from tolerating or acquiescing in organized activities within their territory by guerrillas or dissidents planning acts of violence in the territory of another state. This applies equally to South Africa and its neighbors.

Third, regional security cannot rest solely on the activity, the vision, or the influence of outsiders. Our task is not to impose a structure of security. The structure must rest on regional realities, mutual interests, and direct channels of communication. Our role is to foster a climate conducive to building it. We have made a beginning by stressing our readiness to work for reduced violence, to facilitate contact and communication, to build bridges, and to serve as honest broker. To be effective, our stance must rest on a capacity to speak credibly to all states. We are uniquely qualified to play this role, and we intend to play it. But it is up to the governments directly concerned—in South Africa, Mozambique, Zimbabwe, Lesotho, Botswana, Zambia, and others—to make the basic choice between the temptations of violence and the challenge of coexistence.

Fourth, we recognize that it is not realistic to speak of regional security without reference to the domestic political dimension of coexistence between states. The dilemma we face is that peaceful domestic change in southern Africa and regional security are both urgently needed if the risks of growing international strife are to be avoided.

In South Africa, about which I will speak further in a moment, the imperative of peaceful change is domestic; South Africa has enjoyed sovereign statehood for over 70 years. Yet, a structure of regional stability in southern Africa is unlikely to take root in the absence of basic movement away from a system of legally entrenched rule by the white minority in South Africa. By the same token, peaceful change toward social justice and equality for all South Africans is unlikely to happen in a regional climate of escalating strife and polarization.

In Namibia, we and our contact group allies are working effectively as a

matter of highest priority to bring about negotiated peaceful change to internationally recognized independence. Success would directly benefit in many ways our goals of building regional security, addressing the issues of cross-border violence and foreign intervention.

The Dimensions of U.S. Regional Involvement

There are those who see in southern Africa's political tensions an opportunity for the West to identify the good guys and the bad guys and then to align itself accordingly. Others argue that the United States cannot maintain constructive ties based on principle and mutual interest with both South Africa and its African-ruled neighbors. Our policy of constructive engagement rejects simplistic stereotypes based on race and ideology as inadequate guidelines for U.S. policy. From the outset of this Administration, we have signaled our hope for constructive relations with all governments in southern Africa. No regional state or external power can or should define our relations for us.

Accordingly, if we are to be effective in this region, we must maintain a balanced policy that is relevant to its needs and that fully reflects its diversity and divisions. Politically, we seek to bolster those whose development policies and external actions warrant that support. But we have also consciously held out the option to others to diversify their external orientation and to pursue closer economic ties with the West. Our cooperative diplomacy on Namibia has brought us into intensive contact with the front-line states, a grouping that spans a wide range of African political choices—some of them still evolving. Vice President Bush's travel last November to Zimbabwe, Zambia, and Zaire—and return visits here by their leaders—enable us to nurture these important ties. Our substantial commitment to the success and health of newly independent Zimbabwe is another dimension of our effort to help this strategically important region find stability and growth. While Zimbabwe faces serious difficulties, its leadership has committed itself to the principles of political reconciliation and a mixed economy. Because of its key geographic position and relatively strong economic base, it is important that Zimbabwe not fail as a new nation.

Economically, some 25% of U.S. bilateral assistance to sub-Saharan Africa goes to southern African states,

six of which are landlocked. Though rich in minerals and human potential, most states of the area share to a greater or lesser degree in Africa's current economic crisis. As part of our effort to deal with the region's economic crisis, we are working to support Zambia's efforts to restructure its economy and stimulate its promising agricultural sector. The recent visit of President Kaunda to the United States and subsequent intensive consultations have given impetus to this process.

Southern Africa's current drought—the worst in decades—represents a serious challenge to economic security and human well-being in the region. After careful review of this potential food disaster, we have recently increased by \$25 million our PL-480 food aid programs for affected nations, beyond the \$79 million for fiscal years 1983-84 already programmed. Over the longer term, even as political tensions threaten to divide southern Africa, there are potent factors of geography, history, and economics that pull these states together. Transport links, the pattern of interstate boundaries, and the natural flow of goods and people all point in the direction of regional cooperation. We are supporting the regional efforts in transport and food security of the Southern African Development Cor-

therefore, we must reject the legal and political premises and consequences of apartheid. Indeed, it is increasingly recognized as impossible to maintain by a growing number of South Africans of all races.

We reject unequivocally attempts to denationalize the black South African majority and relegate them to citizenship in the separate tribal homelands. We do not and will not recognize these areas. All Americans are repelled by the sight of long-settled, stable black communities being uprooted and their inhabitants forcibly removed to barren sites in far away "homelands" they have never seen before. Neither can we countenance repression of organizations and individuals by means of administrative measures like banning and detention without due process of law.

By one means or another, South Africa's domestic racial system will be changed. Black South Africans will gain fuller participation in all aspects of South African society and politics. Our policy is directed, therefore, not at whether a nonracial order is in South Africa's future or what the shape of that nonracial order will be, but how that nonracial order will be arrived at. Western policy toward South Africa today must focus on how various black groups acquire the basis and influence

The political system in South Africa is morally wrong. We stand against injustice, and, therefore, we must reject the legal and political premises and consequences of apartheid Our policy is directed, therefore, not at whether a nonracial order is in South Africa's future or what the shape of that nonracial order will be, but how that nonracial order will be arrived at.

dination Conference, while also quietly urging South Africa and its neighbors to maintain pragmatic trade and customs agreements based on mutual benefit.

South Africa

It is essential that South Africans get on with the business of deciding and shaping their own future. The political system in South Africa is morally wrong. We stand against injustice, and,

necessary to participate in a genuine bargaining process that produces change acceptable to all. The future of South Africa depends on those who participate in shaping it. A peaceful process of change depends on support from those who reject, as we do, both alignment with the current racial order and violence as a means of ending it.

We believe that South African and U.S. interests are best served by encouraging the change that is now under

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way in South Africa. We are committed to strengthening the capacity of black South Africans to participate in their country's society as equals—economically, culturally, and politically. It is our view that such "power to participate" can only be made; it cannot be taken. This is not and cannot be a zero-sum game since power taken by force or a revolutionary upheaval will likely leave little worth fighting over.

American efforts should, therefore, concentrate on positive steps which back constructive change and those who are working for it. We applaud the steps which are being taken to expand home ownership opportunities, trade union rights, and access to education. The structure and substance of apartheid are inevitably affected as education budgets grow dramatically and blacks find new opportunities and new influence as workers and consumers. The recent South African court decision to confirm urban residency rights of blacks is an important development. Equally, the findings of the de Lange Education Commission underline the necessity of a sustained expansion of opportunity on a basis of greater equity. The commission's findings and recommendations deserve recognition and support.

South Africa retains an independent judiciary and a distinguished bar—two institutions which tie it to the finest traditions of Western democracy. Indeed, the rule of law is for South Africa, as for any country, a precious inheritance. In recent years the power of the court has been circumscribed by new acts of parliament and police practices which remove from the courts the ability to review executive action. Nowhere is this more apparent than in the system of detention, where the right of access to those in the hands of the police has been limited. Such a system leads to abuse. There are few things Americans should be prouder of than the rule of law in our society. Similarly, we admire efforts by South Africans to retain an independent judiciary. Those who work to rebuild the rule of law are forging anew South Africa's more important links to Western democracy. We wish them well.

Our policy—constructive engagement—supports those inside and outside government in South Africa who are committed to peaceful change away from apartheid. Our support is both tangible and political. It is essential that we in the West, who have the most to offer toward peaceful change and much to lose if it fails, send an unambiguous message to the people of this increasingly important country. The message is,

first, that we agree with those South Africans who recognize that change is imperative and, second, that we are determined to permit them the opportunity to shape and define that change free of the threat of foreign intervention.

Constructive engagement seeks to support trade unionists, students, entrepreneurs, government leaders,

It is essential that we in the West who have the most to offer toward peaceful change and much to lose if it fails, send an unambiguous message to the people of this increasingly important country.

cultural-political movements, civic associations, and religious organizations which, through their commitment to peaceful change away from apartheid, can help make a better future for all citizens of South Africa. Such groups and individuals must prosper if there is to be multiracial bargaining leading to a government based on the consent of the governed.

To support the positive aspects of change in South Africa, the Reagan Administration, with the support of Congress, has initiated new programs over the past 2 years.

- A \$4 million-a-year scholarship program which brings approximately 100 black South African students a year to the United States for undergraduate and graduate degrees. The majority of these students are studying in the hard sciences. By 1985 there will be some 400 black South Africans enrolled in U.S. institutions of higher education, and we will begin graduating more black engineers, chemists, and computer engineers than now exist in South Africa.

- In cooperation with the AFL-CIO, programs of support are being initiated to train labor leaders in South Africa in skills which will improve the collective bargaining ability of black and mixed trade unions and enhance the dialogue between the American and South African labor communities. The U.S.

contribution to this program will increase from \$190,000 this fiscal year to \$875,000 next year.

- In cooperation with the National African Federated Chamber of Commerce of South Africa, we are beginning this year a project to support small business development in the black community. Over the next 2 years, some \$3 million will be invested in this project designed to enhance the economic leverage of the black community.

- In conjunction with black community groups throughout South Africa, we have underway a tutorial program to assist black high school students preparing for the matriculation examination which will determine their professional futures. Over the next 2 years this \$2 million project should significantly boost the number of blacks eligible for university admission.

- Moreover, the U.S. Senate has recently expressed its interest in setting aside \$5 million for an internal scholarship program as a counterpart to the program now bringing black South African students to the United States. This program, implemented through private South African institutions, could provide scholarship support to some 400 black South African students per year.

I do not pretend that these programs, in and of themselves, are the answer to apartheid. But they are indicative of an approach that fully justifies the term "constructive." We are tangibly backing the things we believe in. By strengthening the educational standards of the black population, by enhancing the organizational ability of labor, and by expanding the business base of the black community, we are engaged in institution building for change away from apartheid while helping to encourage the alternative to it.

In terms of supporting change in South Africa, the American business community has considerably more experience than the U.S. Government. Over the past decade, American corporations with subsidiaries and affiliates in South Africa have become a force for change. The activities of these firms have had an impact far beyond the book value of U.S. investment in South Africa and far greater than is commonly recognized. U.S. firms have led the way toward equal employment opportunities in South Africa. Corporate initiative, both foreign and domestic, helped bring about changes in South African labor law permitting blacks to organize trade unions and bargain collectively. U.S. firms, acting through the voluntary

Sullivan Code of Fair Employment Practices, have had a significant impact on the well-being of black South Africans on the job. We strongly believe that voluntary adherence to the Sullivan code is one of the best ways to go beyond rhetoric about apartheid. Equally important, so do the great majority of our corporate leaders.

The record of U.S. corporate citizenship in South Africa, though not perfect, is clear and impressive. Our firms have been pacesetters for change. Those in the United States and other Western nations who would have our firms disinvest not only ignore this record of achievement but propose measures that rest on no discernible philosophic or

policy premise. Disinvestment by U.S. firms would undo an avenue of positive effort. Proponents of corporate disinvestment—and of stockholder or pension manager sales of stock of firms operating in South Africa—would have Americans wash their hands of any association with that country. This apparent quest for symbolic dissociation is, in reality, a formula guaranteed to assure America's irrelevance to South Africa's future.

In the final analysis, however, South Africans themselves—both black and white—will have to meet the challenge of their society, drawing for inspiration primarily on their own resources and their own history. Movement toward change in South Africa is taking place. In the economy, blacks have been gaining ever more bargaining power as producers; they are moving into more skilled and responsible positions. As consumers, their purchasing power has become essential to the South African economy. Black trade unions have become a major new reality. Politically, Prime Minister Botha put his own political base in jeopardy with his proposal to extend a limited and ethnically based franchise to the colored and Asian communities. What some South Africans see as too much, others see as too little. I do not see it as our business to enter into this debate or to endorse the constitutional proposals now under consideration for South Africa. Nor do we offer tactical advice to any of the interested parties. Yet the indisputable fact which we must recognize is that the South African Government has taken the first step toward extending national political rights beyond the white minority.

Many are quick to point out that these proposals make no provision for the national political participation of the black African majority in South Africa, except via the separate tribal homelands. More generally, there is a tendency to reject all incremental improvements in whatever sector of life in South Africa that are not explicitly linked to a full-blown democratic blueprint. We recognize the limits of current change and for this reason do not make a practice of endorsing individual steps as, in themselves, an adequate response to the dead end of apartheid. At the same time, we believe it is incumbent on us to avoid the arrogance of rejecting such

steps. Nor, if we would be credible, can we expect South Africa's would-be reformers to announce their game plan and their bottom line to the world at large.

We state clearly and unequivocally our belief in the concept of government based on the consent of the governed. We do not presume to offer a formula to South Africa for resolving its unsettled political agenda other than to state that all South Africans must have a say in determining their political system.

Conclusion

Let me conclude by drawing your attention to a little recognized fact. Our southern African policy of constructive engagement—extending the hand of friendship, cooperation, and support to all states and peoples of the area who wish it—has occasioned controversy. Some, it appears, have misunderstood the message or chosen for their own reasons to misunderstand it. Less noticed is the encouraging evidence of a growing consensus across party lines around the core principles of more active involvement in this increasingly important region. Many Americans are coming to recognize that without a strong Western leadership role, it could become a turbulent zone of tragedy. They are pleased to see the United States striving diplomatically to build regional peace, to achieve independence for Namibia, to create conditions for the departure of Cuban troops from Angola. I detect a common sense public awareness that we can do these things only if we develop close and credible working relations with all the parties in the region. Whatever tactical debates may exist, I perceive a growing consensus in Congress, among businessmen, church leaders, trade unionists, and the media that it is right for Americans to do more than preach about apartheid. The time has come to support what we believe in, not to walk away in self-righteous indignation. ■

Namibia

CONTACT GROUP STATEMENT, JUNE 8, 1983¹

In continuation of the meeting we had at Williamsburg, the Foreign Ministers of Canada, France, the Federal Republic of Germany, the United States, and the Political Director of the United Kingdom representing the British State Secretary for Foreign and Commonwealth Affairs met to pursue the efforts to achieve an early settlement of the question of Namibia in accordance with U.N. Security Council Resolution 435.

They welcome the constructive spirit in which the recent Security Council debate was conducted. In particular, they noted that the spirit has made possible the unanimous adoption of Security Council Resolution 532. They welcomed, in addition, the Security Council's reaffirmation of Resolution 435 as a basis for the settlement of the conflict on the mandate given to the Secretary General to undertake consultations with a view to its speedy implementation. The Secretary General may count on their final support.

In view of the increasing violence in southern Africa, they agreed that it is more necessary than ever for all concerned to promote a peaceful solution. They reaffirmed in this respect their intention to pursue their efforts to this end.

¹Made available to news correspondents by acting Department spokesman Alan Romberg. ■

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Visit of Ivory Coast President

President Felix Houphouët-Boigny of the Ivory Coast made a state visit to the United States June 6-20, 1983, and to Washington, D.C., to meet with President Reagan and other government officials June 6-12.

Following are remarks made at the arrival ceremony and dinner toasts made by Presidents Reagan and Houphouët-Boigny on June 7.¹

ARRIVAL CEREMONY

President Reagan

We're privileged to welcome to Washington today one of the world's senior statesmen, a man of outstanding stature and the father of his country—His Excellency President Felix Houphouët-Boigny of Ivory Coast.

On the African Continent and throughout the world, he is known as a spokesman for reason and open communications as the means for resolving conflict and ensuring a better world. We share with President Houphouët this belief in dialogue. I look forward to our discussion today, and in many days to come, on the vital issues which face the African Continent and the world.

Ivory Coast itself is an outstanding example of the progress and prosperity that can be achieved in an atmosphere of peace, security, and individual liberty. The President has often emphasized these as the fundamental ingredients of economic well-being and advancement. And we share his conviction—that only in conditions of peace and liberty can a nation achieve lasting economic and social progress.

It's a particular pleasure for me to welcome today the leader of a nation which has so warmly and graciously welcomed so many of our own representatives. I have received enthusiastic reports about Ivory Coast and its economic vitality and vast potential from Secretaries Baldrige [of Commerce] and Block [of Agriculture], several Senators, Assistant Secretary of State [for African Affairs] Crocker, and others. And all of them were struck by the advances your country has made—advances reflecting your commitment to a free economy which encourages producers through a philosophy of hard work and self-help.

There is a saying in Ivory Coast, "If your stomach is empty, ask your hands why." You and your countrymen have worked hard, and in doing so, you've im-



(White House photo by Michael Evans)

proved your lives and gained the respect of the world. The remarkable progress of your country's agricultural endeavors is a tribute to your enlightened leadership. By making it possible for your farmers to get a fair return for their work and by recognizing the importance of this sector of your economy, you've spared the people the deprivation that has befallen many others.

Ivory Coast has built one of the richest economies in Africa by understanding that before wealth can be divided, it must be created. Ivorians can be proud of their solid record of economic improvement since independence. At the same time, your income distribution is among the fairest on the continent.

I'm pleased that the American private sector has been able to play a role in realizing what you refer to as Ivorian well-being.

As we welcome you once again to our country, we note that many changes have occurred since your last visit to the White House in 1973. Nations around the globe, including Ivory Coast and the United States, are struggling to overcome a period of severe economic problems and uncertainty. But together, we can face the future with confidence.

Our two peoples share a desire for liberty and progress that can and will triumph over adversity. So today, let us renew our pledge to each other that as we walk the road to the future, we, the people of the United States and Ivory Coast, will do so as friends.

President Houphouët

It is with great pleasure that I return to your magnificent country, where each of my stays has been a source of discovery and admiration, and has strengthened my confidence in the future.

Your thoughtful words of welcome add to my pleasure, because they are evidence of your friendly interest in my country, and of the strength of the ties that have developed between the United States and Ivory Coast over more than 20 years.

In extending to me your invitation, which honored me greatly, you were kind enough to tell me how much you value personal contacts between heads of state. I share your view entirely and look forward to being able to discuss with you the problems that concern me and which I cannot conceive of being resolved without effective and forceful steps by the United States of America. That is why I am so keenly interested in hearing your views in regard to the various areas where the fate of humankind is being played out.

I thank you most warmly for having afforded me the opportunity, once again, to greet the American people through you and to express to them the great admiration and friendship of the people of Ivory Coast, who share their commitment to the timeless values of peace and justice.

Long live the United States of America; long live our friendship.

DINNER TOASTS

President Reagan

President and Mrs. Houphouet-Boigny, distinguished ladies and gentlemen, it's a special pleasure for me to welcome our guest of honor this evening.

During the 1980 campaign, I suggested that the United States should return to some of the basics of free enterprise—policies that would encourage individual responsibility, hard work, and investment. It's taken time, but we're at last overcoming the economic uncertainty that we inherited. I'll have to admit, I've always been confident that we would. I just kept telling myself, "It worked in Ivory Coast, didn't it?" [Laughter]

Your many successes haven't gone unnoticed here in the United States. Unlike many other countries, some of which are far richer in natural resources, you chose the high road of political and economic freedom. In doing so, you've made Ivory Coast a shining example to the rest of Africa and the world.

Your wisdom has been a guiding light for your people and a beacon of reason and modernization in the world arena. You are a leader who stresses dialogue as a means of solving even the most vexing problems. You advocate compromise over confrontation, conciliation over conflict. Your humane and democratic values reflect well on the people of Ivory Coast.

During our discussions today, we touched on many mutual areas of concern, especially those dealing with the promotion of economic growth. The President had been forced to make tough decisions concerning government spending. I can identify with that. [Laughter] I deeply admire his far-sighted commitment to the long-range interests of his people. Today we're confident that closeness and interaction between our two peoples can be nothing but a blessing for us all.

I ask you now to join me in a toast to President Houphouet-Boigny and to the continued friendship between our two peoples that his visit attests to.

President Houphouet

Mr. President, allow me first of all to thank you for your warm welcome and for all the thoughtfulness that has been shown us since our arrival here. I should also like to express to you our sincere gratitude for your kind words describing

Ivory Coast policies and for having affirmed so clearly your desire to develop our cooperation.

One of your predecessors remarked that history has given the United States the role of being either a witness to the failure of freedom or the architect of its triumph. I can only subscribe to that fine thought. Yet the extent of your commitments, the immense responsibility they imply, even for the most powerful nation in the world, might have led me to fear that in a time of crisis, when, especially in your own hemisphere as well as in Asia and the Middle East, problems as worrisome as they are sensitive require all of your vigilance and that of the team around you. I might have feared that your attention might have been diverted from the seemingly less pressing problems of Africa. It was, therefore, most reassuring for me to note your determination to help Africa to regain its peace and to achieve a prosperity that seems discouragingly ever more remote.

You said on February 13, 1980, that the United States has an obligation to its citizens and to the people of the world never to let those who would destroy freedom dictate the future course of human existence on our planet. There is no lack of opportunity for the enemies of freedom who find, in poverty and ignorance, the best fuel for their sinister designs. It is, therefore, important not to neglect any political, social, economic, educational, or cultural sector—any country, any region, any society where there may develop and explode the kind of conflicts that the enemies of freedom provoke or sustain. And since prevention is better than cure, one must also be certain not to allow the perpetuation of unjust situations that foster them.

To be sure, you have consistently stressed the need for individuals, like nations, to take their problems into their own hands, to assume responsibility for their own future, and to cease to rely solely on assistance, as some at times are all too pleased to do.

In Ivory Coast we have always urged our fellow citizens to rely first and foremost on themselves. But no one can deny that there are individuals and there are nations that are handicapped and cannot emerge from their tragic situation without aid—extended aid. Nor can anyone deny that the world today finds itself in the absurd situation of wasting money on ever more costly weapons—sums of money which, com-

pared to which the amounts of money that go for development assistance, are pitifully small.

And the situation is aggravated by the constant threat of insecurity, which compels the developing nations that have modest, indeed, even inadequate resources to fight simultaneously on two fronts: the development front and the security front, with development too often having to be sacrificed for the sake of security. So, what the developing countries and Africa, in particular, need most are peace and stability, the preconditions for any harmonious development.

You, the American people, are the best equipped to recognize the lack of progress of countries that do not enjoy political stability and which are becoming increasingly serious threats to world peace. The best factor for peace is the well-being, the happiness of peoples. Peace and well-being are inseparable.

The West has the means to lend effective assistance to Africa, but that aid will be for naught if our own production efforts are constantly ruined by speculators. To be sure, Africa at present only accounts for 2% of world trade. That is not a great deal; we recognize that. But that is the Africa of today. It is not the Africa of tomorrow, the Africa of the future, the Africa we want to build with the West, drawing on our own efforts. Our potential is great.

I should like to quote here that masterpiece of Alexis de Tocqueville, *Democracy in America*. In his conclusion he wrote, "I am filled with fears and filled with hopes. I see great evils that can be avoided or contained, and I am becoming ever more firm in my conviction that in order to be honest and prosperous, the democratic nations have only to determine that they will be so."

I could not conclude more fittingly than by expressing our confidence in the democratic nations, among which the United States holds the most important place.

I would ask you to please join me in a toast to President Ronald Reagan and to Mrs. Reagan to whom I present my most respectful and heartfelt compliments, and also to the happiness and to the prosperity of the great people of the United States and to the friendship between the United States and Ivory Coast.

¹Text from Weekly Compilation of Presidential Documents of June 13, 1983. ■

AFRICA

20th Anniversary of the OAU

Secretary Shultz's remarks at a reception in honor of the 20th anniversary of the Organization of African Unity (OAU) on May 25, 1983.¹

This is an important event, the 20th anniversary of the Organization of African Unity. And I am very pleased, enthusiastic, for the opportunity to be here on this occasion.

As President Reagan made clear in his message to your chairman, President Arap Moi of Kenya, the United States knows well the positive contribution that the OAU has made to stability and progress in Africa over the past 20 years and the potential it has for even greater accomplishments in the years to come. It is clear to us that the fundamental principles of the OAU deserve the support not only of the members of the OAU but all peace-loving nations. They certainly have our support.

Not long after I became Secretary, I met with many of your foreign ministers and permanent representatives in New York at a special OAU luncheon. Africa's prominence in the international community was much on my mind then and has remained so ever since.

The Administration attaches great importance to our relations with Africa. Namibian independence under internationally acceptable terms constitutes one of our principal foreign policy objectives. And, I might say, [Assistant Secretary for African Affairs] Chester Crocker has been working his heart out on that as have many others of us in the Department, and the President has spent a great deal of time and effort and energy on this. And, as I plan to say to several of your colleagues in New York this week, we remain fully committed to the work of the contact group and are hopeful that its negotiations, and those in which we are engaged on related regional issues of peace, will prove successful.

In connection with southern Africa and in connection with the apartheid system, I would say unambiguously, unequivocally, with no qualifications whatever, that the system of apartheid is unjust and unacceptable.

The OAU has a noble tradition of promoting the peaceful resolution of conflict on the continent. The United States seeks the same objective, whether in southern Africa, the Western Sahara, or the Horn. We are particularly pleased to be able to work together in making a modest contribution to the deployment of the OAU's first peacekeeping force

last year. Strengthened regional security is a cardinal objective of U.S. policy in Africa. It has been a cornerstone of the OAU's role and objectives for 20 years. This simple fact explains why we attach importance to the health and vitality of Africa's regional organization.

We are all aware of the terrible economic crises much of Africa is encountering. We know, too, that these provoke political turmoil both as their effects are felt and as your governments take the corrective measures required to restructure your economies on a sounder footing. We are working hard to restore the conditions of sound growth in the world economy. And I am sure that this will be a matter of central attention at the Williamsburg summit. Hard decisions and strong leadership are required in this effort. We admire the courage many African leaders are displaying in making difficult decisions to restore their economies, and I can assure you that the U.S. Government will continue to support those governments which come to grips with their economic problems realistically.

Tomorrow in New York, I plan to make a talk on the subject of economic development and the U.S. stake in the development of the developing economies of the world.

It has been the President's pleasure to receive more than a dozen African chiefs of state in Washington, and we look forward to the state visit next month of one of the continent's most distinguished statesmen, President Houphouet-Boigny of the Ivory Coast. Vice President Bush and other Cabinet members have visited your continent, and I hope to have the opportunity to do so myself. I have visited but not as Secretary of State; it doesn't count when you visited there as a private citizen, I discovered that. But you learn more that way oftentimes. You get around among people and you find out what's on their minds.

There are enormous problems facing Africa today. I do not need to tell you of the suffering, poverty, denials of basic human rights, refugee flows, armed conflicts, and economic woes facing your region. I do want you to know that we respect the substantial strides made in many countries and the constructive role played by the OAU itself in building a climate for peace and development. The United States cannot solve Africa's problems, nor would Africans want us to. But we can and are determined to support a regional organization whose goals and founding principles are fully consistent with our national interests.

¹Press release 194. ■

President's Message to OAU Chairman Daniel T. Arap Moi, May 25, 1983²

On the occasion of the Twentieth Anniversary of the Organization of African Unity, it is both a pleasure and an honor for me to express the congratulations and good wishes of the people of the United States to you as Chairman of the OAU and to the member nations of the organization. The United States shares with the OAU its objectives of "freedom, equality, justice and dignity for all African peoples."

We also support the fundamental principles of the OAU, embodied in Article III of your charter: sovereign equality of all member states; non-interference in the internal affairs of states; territorial integrity; peaceful settlement of disputes; condemnation of political assassination and subversion; dedication to the total emancipation of still dependent African territories; and genuine nonalignment. We believe the OAU has made a positive contribution to stability and progress in Africa over the past twenty years, and that it has the potential for even greater accomplishments in the years to come.

The United States remains supportive of African efforts to seek a cessation of conflict and violence, as well as efforts aimed at meaningful economic progress. And we firmly agree that African problems can best be solved by African solutions. We applaud when your Organization moves forward to meet serious challenges on the African Continent, as was demonstrated by the OAU's peace-keeping force in Chad.

The OAU has experienced a difficult twentieth year, perhaps the most difficult year in its history. We are confident, however, as most OAU member states must be, that the Organization can and will continue to provide the unique forum for continental cooperation. We wish the OAU well on this important day marking the Organization's first two decades, and we wish it well in all the years ahead.

RONALD REAGAN

²Text from Weekly Compilation of Presidential Documents of May 30, 1983. ■

Strategic Modernization: Foreign Policy and Arms Control Implications

by Kenneth W. Dam

Statement before the Subcommittee on Foreign Operations of the Senate Appropriations Committee on May 4, 1983. Mr. Dam is Deputy Secretary of State.¹

Maintaining an effective and stable nuclear deterrent presents the President and the Congress with difficult and complex choices. As the chairman of the President's bipartisan Commission on Strategic Forces, Gen. Scowcroft has said: "There are no simple solutions to the questions that must be answered in basing our forces, achieving equitable arms control agreements and improving strategic stability."

As this committee knows, the specific issue of a new American ICBM [intercontinental ballistic missile] has been debated hotly for almost a decade. It is time that we made a decision. And, in my view, that decision should be to proceed with production and deployment of the Peacekeeper missile.

There has been consensus on the need for a new ICBM for many years now. Each of the past four Presidents has supported the development of a new ICBM, and the Congress has been supportive as well. It is the choice of a basing mode for that new ICBM that has complicated the production and deployment decision.

The President's bipartisan Commission on Strategic Forces has completed its review of the overall U.S. strategic posture. The commission studied a number of alternative basing modes for a new ICBM, consulted with Congress, and presented unanimous conclusions concerning U.S. strategic forces and arms control. The commission conclusions have now been accepted by the President, and the President's recommendations are before the Congress. These recommendations provide the basis for developing a broad national consensus.

Foreign Policy and the Strategic Balance

The most important goals of our defense and foreign policy are to prevent war and to maintain a just peace. The foundation of peace in the nuclear age has

been America's strategy of deterrence. Since we first acquired nuclear weapons, the United States has sought to prevent war by discouraging aggression against the United States and its allies. By presenting any potential aggressor with the prospect of certain retaliation, peace has been maintained for nearly 40 years. The history of the 20th century makes it sadly clear that peaceful intentions and good motives alone will not stop aggressors. Adequate military strength does do so, and the strategy of deterrence has been successful in protecting the security of America and Western Europe since the end of World War II.

The strategic balance, however, has dimensions beyond deterrence. That balance shapes the global context in which American foreign policy operates. As Deputy Secretary of State, I am acutely aware that America's military strength is vital to the conduct of foreign policy. Our perceived strengths and weaknesses directly affect our ability to achieve our goals. Therefore, the decisions we make or fail to make on weapons programs are bound to influence the judgments not only of our adversaries but also of our allies and friends around the world.

The growth of Soviet military power relative to the United States over the past 10 years has had a direct effect on Soviet willingness to challenge America's interests around the world. Moscow is using its power directly in Syria, Poland, and Afghanistan and indirectly through its proxies in Angola and closer to home in Central America. These are the tangible manifestations of growing Soviet power. Our concern is that unless we maintain a strategic nuclear balance between the United States and the Soviet Union, the problem of Soviet adventurism will persist and may get even worse.

If for example, the Soviets are able to strike effectively at our land-based ICBMs while we do not have comparable capability, Moscow might believe it could gain political leverage by a threat of nuclear blackmail. Without arguing the question of whether the Soviets are prepared to launch a nuclear first-strike, one can recognize that such a crucial imbalance in strategic capabilities could well make them bolder in a regional con-

flict or in a major crisis. That situation cannot be in the interest of either this nation or of world peace.

Our visible commitment to maintaining the strategic balance is also essential to sustain the confidence of our friends and cohesion of our alliances. While we have debated among ourselves and tabled serious arms control initiatives at the negotiating table, the Soviets have deployed—repeatedly. Over the past decade the Soviets have deployed three new ICBMs. They have tested two more in the last 6 months and have, at least, two additional new types of ICBMs in development.

What would our allies and other nations conclude about American strength, resolve, and reliability if we were to fail to deploy a new ICBM in the face of these Soviet developments? Our foreign policy and our ability to defend our interests and our most cherished values will be decisively strengthened if the Congress gives strong backing to the program the President announced last month. Modernization of our deterrent, and of our land-based ICBM force in particular, is essential to the goals of preventing conflict, reducing the risk of war, and demonstrating our resolve to adversaries and allies alike. At the same time, it will also increase Moscow's incentive to negotiate seriously in START [strategic arms reduction talks] and other arms reduction talks.

Arms Reduction and the Strategic Balance

It is important to note that the Scowcroft commission did not consider the ICBM problem, or even our overall strategic posture, in isolation from other issues. They also considered the relationship between strategic programs and arms control. The commission made clear that there was a necessary complementarity between strategic programs and arms control. Both arms control and modernization programs can affect the strategic balance. Vigorous pursuit of both is the best course to pursue. To quote the Scowcroft commission report: "Our arms control proposals and our strategic arms programs should thus be integrated and be mutually reinforcing. They should work together to permit us,

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and encourage the Soviets, to move in directions that reduce or eliminate the advantage of aggression and also reduce the risk of war by accident or miscalculation."

President Reagan adopted this dual approach early in his Administration. When he announced his modernization program, he also announced that the United States would negotiate with the Soviet Union to achieve mutual and deep nuclear arms reductions. We are now negotiating seriously with the Soviets in Geneva on both intermediate-range and strategic nuclear weapons.

If we have learned anything from our experience in arms control negotiations over the last two decades, we should have learned this fundamental truth: The process of arms control depends on the demonstrated ability of the United States to maintain an effective strategic force. This, in turn, depends, as it always has, on maintaining a modern, capable triad of strategic forces. The Peacekeeper ICBM is a critical component of that modernized triad.

As a lawyer, I know that negotiations begin only when both parties believe they have something to gain by talking or something to lose by failing to talk. Without the incentive of gain or loss provided by our modernization program, the Soviets would see no advantage in negotiating seriously to reduce their own nuclear force.

The Peacekeeper represents the response that each of the past four administrations has considered necessary to offset, at least partially, the formidable Soviet ICBM arsenal. The question now before us is whether we shall abandon this decade-long modernization program.

As the Scowcroft commission report reasoned: "It is illusory to believe that we would obtain a satisfactory agreement with the Soviets limiting ICBM deployments if we unilaterally terminated the only new U.S. ICBM program that could lead to deployment in this decade. . . . Abandoning the MX at this time in search of a substitute would jeopardize, not enhance, the likelihood of reaching a stabilizing and equitable agreement."

The commission's recommendations included more than support for deploying the Peacekeeper missile. The commission also recommended, and the President agreed, that the full modernization program begun in 1981 be continued. It also recommended development of a new small single-warhead

missile and continuation of research on survivability improvements for our ICBMs, including active defense and silo hardening.

Questions have been raised about whether the proposed modernization program is consistent with our arms control objectives and our obligations under past arms control agreements. Let me assure you that the proposed program is fully consistent with those objectives and obligations. The Peacekeeper is consistent with all specific provisions of existing SALT [strategic arms limitation talks] agreements. Deploying 100 of the new missiles in existing Minuteman silos, as the President proposed, would involve no construction of new fixed launchers, no increase in silo volume, and no increase in MIRVed [multiple independently targetable reentry vehicle] ICBM launchers. Moreover, the 100 new Peacekeeper missiles in Minuteman silos are, obviously, far too small a force to be destabilizing.

Some have wondered, however, how the development of a small ICBM in addition to the Peacekeeper would be consistent with either SALT II or a possible START agreement. The SALT II Treaty would have permitted deployment of no more than one new ICBM on each side. On our side, the new missile would be the Peacekeeper. But that treaty, even if it had been ratified, would have expired at the end of 1985. The President's proposal calls for the start of engineering development of a new small ICBM, but no deployment would be possible until after 1990—long after the SALT II time period had expired. And long before that time, we would hope that a START agreement will have established a new regime for maintaining a stable strategic balance.

Beyond this, the new small missile, if it proves feasible, would have broader, positive implications for arms control. It would enhance stability, because it would be more survivable, and stability has always been a central objective of arms control since the process began. As [Defense] Secretary Weinberger has explained, it may move the evolution of strategic systems in a stabilizing direction over the long term. The basic concepts underlying our START proposals are flexible enough to accommodate this small missile.

The U.S.-Soviet strategic competition will continue into the long-term future. And there is no guarantee that a

restructuring of U.S. and Soviet forces in the direction of single warheads will take place in the near future. But we believe both sides have real incentives to move in this direction. In the meantime, we need now to take the hard decisions necessary to ensure a safe strategic relationship for the years immediately ahead.

Conclusion

I share with the Secretary of State and the Secretary of Defense the conviction that modernization of our strategic forces is a matter of the highest priority. A credible, flexible strategic force is not only vital to the balance of power but is the essential foundation of our role as leader and defender of free nations. The fundamental goal of nuclear deterrence depends on a credible force. Our goal of deterring non-nuclear war or nuclear blackmail also depends on it.

The Peacekeeper missile is indispensable to our near-term goals of restoring the strategic balance, achieving deterrence, and providing an incentive to the Soviets for serious negotiations on arms reductions. Development of a small ICBM may well enhance strategic stability in the longer term. But as the Scowcroft commission stressed, neither of the two systems can ensure security alone; they are complementary. Strength and peace are also complementary. Both must be pursued with determination. And with that determination, both can be achieved.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S., Philippines Conclude Bases Agreement Review

DEPARTMENT ANNOUNCEMENT,
JUNE 1, 1983

In Manila today, June 1, U.S. and Philippine Government representatives signed a Memorandum of Agreement concluding our review of the U.S.-Philippine Military Bases Agreement. Review discussions started on April 11 between the U.S. panel, led by U.S. Ambassador to the Philippines, Michael H. Armacost, and the Philippine panel, headed by Ambassador to the United States, Benjamin T. Romualdez. Ambassadors Armacost and Romualdez signed the Memorandum of Agreement for their respective countries. The review was conducted in a cordial and cooperative atmosphere. The agreement enters into force immediately.

The review confirmed the continuing value of the Military Bases Agreement to both countries in maintaining the peace and security of the region. The agreement maintains the current U.S. use of military facilities at Clark Air Base and Subic Bay Naval Base and reflects Philippine sovereignty over the bases. Several items in the agreement are intended to improve administrative arrangements concerning the bases. Among these are the establishment of a joint committee, similar to ones we have with Japan and Korea, to address questions relating to the implementation of the Military Bases Agreement; procedures for access by Philippine base authorities to the U.S. facilities within the bases; and procedures for supplying information on levels of U.S. forces permanently stationed at the facilities, as well as on their equipment and weapons systems; the withholding of Philippine income tax from the salaries of Philippine national employees working for the U.S. Armed Forces; and procedures for securing exemption of U.S. Armed Forces personnel from Philippine travel tax and modification of automobile registration fees paid by U.S. forces.

In the light of the satisfactory conclusion of the review of the Military Bases Agreement and with a view toward enhancing the Philippine contribution to regional peace and stability, a letter from President Reagan has been transmitted to President Marcos stating that the executive branch will make its best effort to obtain a total of \$900 million in security assistance for the Philippines for the FY 1985-89 period. This assistance will enable the United

States to help the Philippines in its economic development and military modernization efforts.

JOINT STATEMENT,
JUNE 1, 1983

The Governments of the United States and the Republic of the Philippines have completed the scheduled fifth anniversary review of the 1947 Military Bases Agreement as called for in the 1979 amendment. Ambassador of the Philippines to the United States, Benjamin T. Romualdez, and Ambassador of the United States to the Philippines, Michael H. Armacost, headed the two panels which, in a spirit of close and friendly cooperation, conducted discussions in Manila from April 11, 1983, to June 1, 1983.

Accordingly, a complete and thorough reassessment of the Military Bases Agreement and the manner of its implementation was accomplished to ensure that the agreement continues to serve the interests of both parties. The review resulted in the signing of a Memorandum of Agreement between the two governments amending the Military Bases Agreement.

The Memorandum of Agreement contains provisions on:

A. Procedures for access of the Philippine Base Commander to the U.S. facilities and for the submission of information regarding U.S. force levels and their equipment and weapons systems in the Philippines;

B. The obligation of the U.S. Armed Forces personnel to respect Philippine law and to abstain from any political activity;

C. The U.S. pledge to cooperate with the Philippine Government in improving economic and social conditions in Angeles City and Olongapo City and surrounding areas;

D. The procurement of Philippine goods and services by the U.S. forces to the maximum extent feasible;

E. The modification of criminal jurisdiction arrangements in the event of war;

F. The review of the Base Labor Agreement within 6 months;

G. The withholding of income tax from Filipino employees working for the U.S. Armed Forces at U.S. facilities;

H. Procedures for securing exemp-

tion of U.S. Armed Forces personnel from Philippine travel tax and modification of automobile registration fees;

I. The establishment of a joint committee to facilitate more effective implementation of the Military Bases Agreement on a continuing basis. In addition, the joint committee will have the authority to review base areas that might be returned to the Philippines; study social, health, and other problems with a view to recommending programs and activities to improve conditions and enhance cordial relations between American personnel in the U.S. facilities and the surrounding Filipino communities; and address other topics relating to the implementation of the agreement.

The United States will allow the Armed Forces of the Philippines to procure fuel from the pipeline between Subic Bay Naval Base and Clark Air Base in accordance with existing U.S. procedures and policies regarding the acquisition of military items.

During the review, both parties took note of the importance of the Military Bases Agreement in serving the security interests of the United States and the Philippines and in furthering the strong traditional ties between the two countries. In the light of the satisfactory conclusion of the review of the Military Bases Agreement and with the view toward enhancing the Philippine contribution to regional peace and stability, President Reagan has conveyed in a letter to President Marcos the intent of the executive branch of the U.S. Government to make its best effort to obtain appropriations for the Philippines of \$900 million in security assistance, including economic support funds. The appropriations, which are subject to U.S. congressional approval, will be sought over a 5-year period beginning in U.S. FY 1985 in the following amounts: grant economic support funds \$475 million; foreign military sales credits \$300 million; and grant military assistance \$125 million.

MEMORANDUM OF AGREEMENT,
JUNE 1, 1983

The exchange of notes between the Government of the Philippines and the Government of the United States amending the Military Bases Agreement, dated January 7, 1979, provides: "In every fifth anniversary year from the date of this modification and until the termination of the Military Bases Agreement, there shall be begun and completed a complete and thorough review and reassessment of the agreement, including its objec-

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tives, its provisions, its duration, and the manner of implementation, to assure that the agreement continues to serve the mutual interests of both parties."

Accordingly, discussions between representatives of the Government of the Philippines and the Government of the United States were conducted in Manila from April 11, 1983, to June 1, 1983. Pursuant to the understanding reached during the review, the Government of the Philippines and the Government of the United States agree to the following;

I. Operational Use of the Bases

Within the context of Philippine sovereignty, the operational use of the bases for military combat operations other than those conducted in accordance with the Philippines-United States Mutual Defense Treaty and the Southeast Asia Collective Defense Treaty (Manila Pact), or the establishment by the Government of the United States of long-range missiles in the bases, shall be the subject of prior consultation with the Government of the Republic of the Philippines, notwithstanding the provision of the 1979 amendment to the Military Bases Agreement assuring the United States of unhampered military operations involving its forces in the Philippines.

II. Access and Information

With a view to keeping the Government of the Philippines fully informed about the activities of the United States forces in the Philippines, the following shall be established;

(1) The Base Commander and his designated representative shall have access to all areas of the United States facilities except cryptographic areas and areas where classified equipment or information is located. Access to areas where classified equipment or information is located shall be in accordance with mutually agreed procedures.

(2) The Government of the United States shall, within a reasonable period, inform the Government of the Philippines of the current level of the United States forces permanently stationed in the Philippines, and their equipment and weapons systems. Thereafter, the United States Government shall notify the Government of the Philippines of any major change in United States forces permanently stationed in the Philippines, and major changes in their equipment and weapons systems.

III. Respect for Philippine Law

It is the duty of members of the United States forces, the civilian component, and their dependents, to respect the laws of the Republic of the Philippines and to abstain from any activity inconsistent with the spirit of the Military Bases Agreement and, in particular, from any political activity in the Philippines. The United States shall take all measures within its authority to ensure that this is done.

The appropriate authorities of the

Government of the Philippines and the Government of the United States shall cooperate in taking such steps as are necessary to prevent abuse of importation privileges granted to the United States personnel and their dependents pursuant to the Military Bases Agreement.

In this connection, the two Governments wish to reaffirm existing arrangements established in the prior agreements which provide for cooperation between the United States Armed Forces and Philippine authorities.

IV. Economic and Social Improvement of Areas Surrounding the Bases

The Government of the United States reaffirms the statements made by Secretary of State Cyrus Vance in his letter of January 6, 1979, to Minister for Foreign Affairs Carlos P. Romulo to the effect that the two Governments shall take steps to promote suitable projects in the base lands outside the United States facilities and the areas surrounding them and that the Government of the United States is prepared to consider, subject to the approval of the United States Congress, appropriate assistance for improving economic and social conditions in Angeles City and Olongapo City and surrounding areas and to relate these efforts of the Government of the United States to plans of the Government of the Philippines for the utilization of returned base land areas. Moreover, the United States Forces shall procure goods and services in the Philippines to the maximum extent feasible.

V. Criminal Jurisdiction

Paragraph 6 of the agreed official minutes regarding Article XIII of the Military Bases Agreement as revised by the Mendez-Blair agreement of August 10, 1965, is amended to read:

"In the event of hostilities to which the provisions of Article V of the Mutual Defense Treaty apply, either the Government of the Philippines or the Government of the United States shall have the right, by giving sixty days notice to the other, to suspend the application of any provision of Article XIII of the Military Bases Agreement. If such notice is given, the two Governments shall immediately consult with a view to agreeing on suitable arrangements to replace the provisions suspended. Until new arrangements are concluded, the provisions of Article XIII shall continue to apply in full."

VI. Labor and Taxation

Representatives of the Government of the Philippines and the Government of the United States shall meet to discuss possible revisions of or alterations in the Agreement of May 27, 1968, concerning the employment of Philippine nationals by the United States Forces in the Philippines in light of the critical contribution made by the Philippine national work force to the effective operation of the United States facilities and with a view

to ensuring that labor relations involving the Philippine national work force remain harmonious and productive. These discussions shall begin within six months after the conclusion of the 1983 review of the Military Bases Agreement or on another date agreed upon. The discussions shall be conducted on the basis of the principles of equality of treatment, the right to organize and bargain collectively, and respect for the sovereignty of the Republic of the Philippines.

The Government of the United States shall make arrangements for the withholding, beginning October 1, 1983, of Philippine income tax from the salaries of Philippine nationals employed by the Armed Forces of the United States in connection with the construction, maintenance, and operation of the United States facilities, in accordance with applicable Philippine laws and regulations, except employees whose income is exempt from Philippine income taxation or who are members of the United States Armed Forces. The Government of the Philippines shall notify such employees of the United States that withholding has been initiated at the request of the Government of the Philippines and that the Government of the United States, in complying with that request, incurs no obligation with respect to any reduction in net compensation or payment which may result.

The Government of the Philippines shall adopt a simplified procedure to facilitate the travel of members of the United States Armed Forces, the civilian component, and their dependents, who shall continue to be exempt from the payment of the travel tax imposed under Presidential Decree No. 1183 of August 21, 1977.

With regard to automobiles imported into the Philippines under the Military Bases Agreement by members of the United States Armed Forces, the civilian component, and their dependents, charges imposed for the registration of those automobiles shall include only the actual registration and license plate fees.

VII. Joint Committee

A Military Bases Agreement Joint Committee shall be established as a means of consultation between the two Governments on matters regarding the implementation of the Military Bases Agreement which cannot be resolved between the Philippine Base Commander and the United States Facilities Commanders or any other matter regarding implementation of the Military Bases Agreement which either side wishes to bring before the Committee. The Military Bases Agreement Joint Committee will assume responsibility for matters relating to that agreement referred to in paragraph 4A of Annex A of the exchange of notes of May 15, 1958, establishing the Philippine-United States Mutual Defense Board. In view of its special character and composition, the Criminal Jurisdiction Implementation Committee will remain as presently constituted.

The Military Bases Agreement Joint Committee shall be composed of a represent-

ative of the Government of Philippines and a representative of the Government of the United States, each of whom shall have one or more deputies and staff. The Committee shall determine its own procedures and arrange for such auxiliary organs and administrative services as may be required. The Committee shall be so organized that it may meet at any time at the request of the representative of either Government.

If the Military Bases Agreement Joint Committee is unable to resolve any matter, it shall refer that matter to the respective Governments for further consideration.

This agreement shall enter into force upon signature. In witness whereof, the undersigned, being duly authorized by their respective Governments, have signed this agreement.

Done at Manila, in duplicate, this 1st day of June, 1983.

For the Government of the
United States of America

MICHAEL H. ARMACOST

For the Government of the
Republic of the Philippines

BENJAMIN T. ROMUALDEZ

PRESIDENT REAGAN'S LETTER TO PRESIDENT MARCOS

May 31, 1983

Dear Mr. President:

I was pleased to learn that our representatives have completed the review of the Military Bases Agreement which was agreed to during your state visit to the United States last year.

In light of this development, I wish to state that the Executive Branch of the United States Government will, during the five fiscal years beginning on October 1, 1984, make its best efforts to obtain appropriation of security assistance for the Philippines in the following amounts:

Military Assistance	\$125,000,000
Foreign Military Sales Credits ..	\$300,000,000
Economic Support Fund	
Assistance	\$475,000,000

In this connection the United States Government will seek to provide the Foreign Military Sales Credit on the basis of a grace period of ten years and a repayment period of twenty years. As you are aware, under our constitutional system, the Congress has sole authority to appropriate funds.

I was also pleased to note that the Military Bases Agreement review confirmed that the Agreement continues to meet our mutual needs and interests. I believe that this review has again underlined the close and historic ties linking our two countries and will contribute to further strengthening the peace and security of the western Pacific region.

Sincerely,

RONALD REAGAN ■

U.S.-Philippine Relations and the Military Bases Agreement Review

by Paul D. Wolfowitz

Statement before the Subcommittee on East Asia and the Pacific of the House Foreign Affairs Committee on June 16, 1983. Mr. Wolfowitz is Assistant Secretary for East Asian and Pacific Affairs.¹

I am pleased to address today our overall relations with the Philippines and the recently concluded 5-year review of our 1947 Military Bases Agreement (MBA). This review, completed in the relatively short period of 7 weeks, reflects the excellent state of our bilateral relations and the important role Subic Bay Naval Base and Clark Air Base play in furthering our mutual security interests.

Long-Term Bilateral Relationship

The close ties between the United States and the Philippines span the 20th century. It is a long and deep relationship. The U.S. influence in the Philippines has been a strong and positive one. And our own culture and society have been enriched, in turn, by our relationship with the Philippines and by the presence of the roughly 1 million Filipino-Americans and Filipinos who live in the United States. Our longstanding economic ties are healthy, also. The United States is still the largest market for Philippine goods and the primary source of its foreign investment.

In addition to these shared personal and economic interests, our countries have been partners for decades in the effort to promote our common interest in regional stability and security. We were comrades-in-arms during World War II, and we have continued a close security partnership after the Philippines became independent in 1946. The treaty covering our bases dates back to 1947, our Mutual Defense Treaty to 1952.

Role of the U.S. Military Presence

U.S. military forces in the Philippines are evidence of our abiding commitment to the Philippines under our Mutual Defense Treaty. This security relationship is, in turn, a key element of our policies toward Southeast Asia, which

have contributed significantly to the peace, security, and remarkable economic growth and political stability of the entire region.

Our facilities at Subic Bay and Clark Air Field play a crucial role in furthering our efforts:

- To provide an effective counter-balance in the area to the growing military power of the Soviet Union and its surrogates;
- To support our treaty commitments in East Asia;
- To support ASEAN [Association of South East Asian Nations] and strengthen U.S. ties to ASEAN countries;
- To protect the sea and air lanes in and around an area that occupies an important place in world trade; and
- To provide the logistic support of U.S. forces in the Indian Ocean and Southwest Asia that help to maintain peace and stability and to protect vital interests of the United States—and of U.S. allies—in that important part of the world.

As President [Ferdinand E.] Marcos stated recently, all the countries in the region friendly to the United States approve of U.S. naval and air facilities in the Philippines, because they ensure the balance of power in Southeast Asia. A U.S. military withdrawal would only benefit those who wish to fill the resultant power vacuum.

Political Situation in the Philippines

Both teams of negotiators were well aware of these benefits as we entered the recent review of our bases agreement. But security factors were not the only concerns on our agenda. Major military facilities, such as those we have in the Philippines, can only be effectively operated with the support of the host country's government and people. Maintaining needed support and warm relations between our countries, through due regard for Philippine sensitivities, was thus a major concern in our discussions on basing arrangements.

Unfortunately, some criticism of the U.S. military presence has been an ingredient of Philippine politics for many

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years. In gauging the extent of such opposition, however, it is worth noting that, despite the considerable public scrutiny recently focused on the bases, our continued role does not appear to have been a major matter of contention. We believe the support we have enjoyed through various Philippine governments since World War II will continue.

Given our long-term security relationship with the Philippines, we also pay close attention to other domestic political developments, including human rights issues. The ending of martial law in 1981 brought with it some improvements in the civil liberties situation. However, progress has been uneven. In recent months, the Marcos government has again introduced constraints. Controls on public assembly and the press have been eased, although at times controls on the press were reasserted. For example, the leading opposition newspaper was shut down, but another opposition newspaper recently started publishing. There is criticism of the government and of government policies in the media, but it is subdued. One respected moderate opposition leader, the mayor of a large city in Mindanao, has been jailed. On balance, however, it is fair to say that in some respects the situation is improved over 1978, when we last discussed our military presence with the Philippine Government.

The increase in armed insurgent actions, however, has caused a serious problem of military excesses against civilians. The government knows that this is a problem and has attempted to remedy it but, so far, with little success. Recently, however, in the first action of its kind, two high-ranking officers were convicted of abuses.

Human rights and church groups regularly bring these problems to the government's attention. The Catholic church's recent pastoral letter on this and other problems was met with a declaration of the government's intent to engage in dialogue.

The United States, for its part, welcomes any efforts on the part of the government and concerned groups of Filipinos to address their problems through dialogue. We look toward the scheduled parliamentary elections in 1984, in which it is our expectation that all legitimate groups will have a fair chance to participate. These elections promise significant progress toward a more open political system. Meanwhile, we will continue to deal with human rights issues and problems in the Philippines through a policy of quiet dialogue

with the government and extensive contact with a wide spectrum of Philippine society, including the legitimate opposition. This active policy is a fundamental part of our overall approach in the Philippines.

Terms of the 1983 MBA Review

Against this background of concerns, we conducted the recent 5-year review of the MBA. The key U.S. objectives were to enhance our two nations' mutual security; to ensure the continuation of unhampered use of the U.S. facilities consistent with the respect due to Philippine sovereignty; and to facilitate resolution of practical problems—all with an eye to limited U.S. resources. I am pleased to report that we were able to accomplish these objectives. For its part, the Philippine Government stressed, as did we, its continuing sovereignty over the U.S. facilities.

While maintaining the essential structure of our current agreement, the review resulted in a series of new procedures and administrative arrangements to deal with the practical problems which inevitably arise in a close bilateral undertaking of this sort. The most important new provision is the establishment of a joint committee, similar to the one we have with Japan and Korea, to facilitate implementation of the MBA. In addition, other noteworthy points included:

- Procedures for access of the Philippine Base Commander to the U.S. facilities;
- Procedures for the submission of information on U.S. force levels and their equipment and weapons systems; and
- Procedures for securing exemption of U.S. Armed Forces personnel from Philippine travel tax and modification of automobile registration fees.

At the conclusion of the review, President Reagan transmitted a letter to President Marcos conveying the pledge of the executive branch to make its best efforts to provide \$900 million in security assistance during the 5 fiscal years beginning October 1, 1984. The figure of \$900 million was reached after consideration of the Philippine Government's economic development needs, its defense modernization goals, our current assistance efforts in the Philippines, and the decline in the real purchasing power of our assistance levels since the time of the last base review in 1979.

Subject to the authorization and appropriation of funds by the Congress,

the intention of the executive branch is to provide more than half of the package: \$475 million in economic support funds (ESF). We shall soon begin planning with the Philippine Government on ESF projects and programs. These will be submitted to the Congress for approval during the normal budgetary process. We expect that some of the funds will be used to improve the social and economic conditions of areas adjacent to the bases, while most of the funds will be used on a nationwide basis in support of Philippine economic development priorities.

The rest of the proposed 5-year security assistance is military: \$125 million in the military assistance program (MAP) and \$300 million in foreign military sales (FMS) credit guarantees. This assistance would enable the Philippine military to begin to address seriously its modernization efforts, which in recent years have been affected adversely by Philippine Government budgetary constraints. We are committed to request the Congress for FMS credits having a 10-year grace period, and repayment over 20 years. Although we have not discussed specific Philippine military needs in connection with this assistance package, we would expect it, on the basis of past practice, to be used to purchase aircraft, helicopters, ground vehicles, engineering equipment, surface vessels, communications equipment, and other defense articles.

Conclusion

The U.S.-Philippine relationship has over the years benefited the Philippines, the entire Southeast Asian region, and—by no means least—ourselves. We can take great pride in the contributions we have made to the area and the positive role we have played. I would hope that we will continue to be an active player in this important part of the world for a long time to come. That is also the wish of leaders and people of the Philippines and of the peace-loving countries of the entire region.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

The Challenge of Economic Growth

by Kenneth W. Dam

Address before the sixth UN Conference on Trade and Development (UNCTAD VI) in Belgrade on June 13, 1983. Mr. Dam is Deputy Secretary of State.

U.S. participation in UNCTAD VI is guided by four principles.

First, economic progress and development is a common goal. The achievement of that goal will require a serious, sustained effort on the part of all countries, both North and South. As Secretary of State Shultz noted recently:

The reality of mutual interest between the Northern and Southern Hemispheres is not at all reflected in either the doctrinaire Third World theory of debilitating dependency nor the aid giver's obsolete sense of patronage. There is now a relationship of mutual responsibility. Our common task is to make this link a spur to growth in both regions. . . .

Second, solutions to the problems that we face will be found in a constructive and cooperative environment. It is in this context that President Reagan strongly supported a continuing North-South dialogue at the summit in Cancun, Mexico. The seriousness of the situation we face makes it imperative that we work together in the common pursuit of realistic and workable solutions.

Third, UNCTAD has an important role to play, as defined by its mandate, in the challenge of economic development. Our efforts, therefore, should concentrate on reaching conclusions that are attainable within the context of UNCTAD. This conference can best serve the interests of its members by helping, through debate and discussion, to create greater consensus on how to assure sustained economic recovery and development.

Fourth, the central focus of international cooperation should be strengthening an open international trading, financial, investment system that nurtures growth for all countries.

I should like now to outline for you a program of action based on these four principles. In so doing, I shall discuss

the roles in development of economic growth, trade expansion, and international finance, as well as the important interrelationships of savings, aid, and investment.

Growth and Global Recovery

We are now emerging from the longest recession of the postwar period. North America and Europe have experienced outright declines in economic activity; Japan's industrial production has stagnated; unemployment has soared—32 million people are out of work in the 24 industrial countries of the Organization for Economic Cooperation and Development (OECD).

The growth of the oil-importing developing countries, which averaged 5% annually in the 1970s, slackened from 1980 to 1982 to a 2% annual rate—the lowest since 1950. The dynamic progress of several large developing countries was stalled under the weight of large international debts. Total world exports declined 7% from 1980 to 1982, from almost \$2.1 trillion to well under \$2 trillion.

the Consumer Price Index) has plunged from over 12% in 1980 to just under 4% in the 12 months ending this April. The prime interest rate is now at 10.5%—about half its peak in 1981 of 21.5%. In April, industrial production jumped 2.1%; it has been rising at an annual rate above 10% since its low point in November.

Growth with low inflation has resumed also in the economies of Japan, Germany, Britain, and others which, together with the United States, account for about three-quarters of the production of the industrial countries. The challenge now is to turn this revival into a global recovery and sustained growth for the rest of the 1980s—and beyond.

Trade and Commodities

World trade is the key to this revival. In the near term, trade is the transmission belt by which recovery in the developed countries will produce faster growth in the developing countries. For all countries, trade is the dominant source of external resources, and for developing countries trade is the dominant impetus to growth. In 1980, the developing countries' export earnings of \$580 billion were 17 times as much as their net receipts of aid. Acceleration of growth in the industrial nations from about 2% this year (the forecast of the OECD Secretariat) to 4% the next year and

For the developing countries, the worldwide recession has led to a serious income-earning problem. The only lasting solution to that problem, and also to the problems of the industrial countries, is sustained economic growth—without renewed inflation.

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The industrialized countries have now begun to lead an expansion of the world economy. In the United States, for example, inflation (as measured by

beyond would itself add \$20–\$25 billion annually to the export earnings of non-oil developing countries.

The United States, whose market is the world's largest and one of the most open, has contributed significantly to the growth and diversification of developing countries' exports. In 1981 the United States purchased more than \$120 billion in goods and services from developing countries, of which \$70 billion consists of

imports from non-oil developing countries. U.S. purchases absorbed almost one-quarter of all exports of those non-oil developing countries and more than half of their exports of manufactured goods to OECD countries. The growth in U.S. imports of manufactured goods from the developing countries has been

on proposals for a new negotiating round in the GATT."

The United States believes that major cooperative efforts are needed to assure an open international trading system for all, with particular emphasis on the growth of developing countries during the rest of this century. A pro-

- Finally, technical assistance should be provided to the least developed countries to promote their trading capacity.

This program will increase trade, promote growth, and provide a foundation for the resolution of many of our present problems.

Our efforts to promote a better climate for trade have particular relevance to the expansion of developing country participation in the processing, marketing, and distribution of commodities. Achieving our objectives in the trade area will accelerate the developing country role in these commodity-related activities, where they have already demonstrated impressive growth.

Nevertheless, the United States recognizes the difficult problems faced by many developing countries heavily dependent upon commodity exports. The fact is that commodity prices fell by an average of 20% from 1980 to 1982. The long-term answer to this problem is sustained, noninflationary growth over the coming years.

Commodity agreements have not been successful, by and large, in ameliorating wide swings in commodity prices. It is not, therefore, in anyone's interest to raise unrealistic expectations about the usefulness of new commodity agreements. While the United States will continue to consider such agreements on a case-by-case basis, we see a limited role for price stabilization agreements.

More effective, in our opinion, have been arrangements to provide financing to commodity-exporting countries when their earnings temporarily fell. The International Monetary Fund (IMF) has a compensatory financing facility of this kind. We will join other members of the IMF in a constructive review of this facility. The United States supports this proven approach rather than the creation of new institutions with overlapping purposes and smaller capital.

We will consider participation in "other measures" commodity agreements if it appears that they serve a useful function and meet appropriate criteria. For example, we have just decided to join the International Jute Agreement. The U.S. Government also is willing to explore the possibility of establishing producer-consumer fora for commodities, unless they involve efforts to establish price stabilization agreements.

The United States believes that major cooperative efforts are needed to assure an open international trading system for all, with particular emphasis on the growth of developing countries during the rest of this century.

especially strong. During the 1970s these imports grew at an average rate of 27% per year. Our market remains largely open. The average U.S. tariff on dutiable exports of developing countries is less than 5%; our nontariff obstacles to trade are relatively few.

Large, growing, open markets are the main hope of the developing countries for dealing with their debt burdens and growth problems. The United States is committed to maintaining and expanding open markets.

Last November's ministerial meeting of the General Agreement on Tariffs and Trade (GATT) did not accomplish all that we desired, but it did keep the GATT system moving in a positive direction. The meeting ended with a declaration in which the ministers pledged "to refrain from taking or maintaining any measures inconsistent with the GATT." The OECD ministerial in early May went even further, with the ministers pledging to "reverse protectionist trends."

The heads of state who met recently at Williamsburg agreed to translate these pledges on open trade from words to concrete actions. The summit partners agreed "to halt protectionism, and as recovery proceeds to reverse it by dismantling trade barriers." They also agreed to "work to achieve further trade liberalization negotiations in the GATT, with particular emphasis on expanding trade with and among developing countries . . . [and] to continue consultations

gram equal to the challenge of assuring an open trading system should include the following actions.

- First of all, nations should strengthen their commitments to resist protectionism. Developed countries have particularly serious responsibilities here, because their constructive actions greatly benefit other countries as well as themselves.

- Furthermore, preparations should begin now under GATT auspices for a major new international trade liberalization, with emphasis on reducing barriers to North-South trade through mutual exchange of concessions.

- Expansion of trade among developing countries can also be promoted through trade-creating tariff reductions among developing countries themselves.

- Generalized preferences in developed countries should be continued and refined. In the United States we expect to move forward shortly with legislation renewing our system of generalized trade preferences for developing countries. We hope to provide special measures to improve the use of our generalized preferences scheme by those countries most in need of benefits.

- The GATT should be strengthened to spearhead new trade liberalization, particularly with developing countries, bring greater discipline to the use of safeguards, improve dispute settlement, and improve the ground rules for agricultural trade.

In sum, the program I have outlined for growth and trade can work. The distribution of its benefits, however, will depend on the domestic policies pursued by individual developing countries. Some of the fastest growing economies in the world are those of East and Southeast Asian states which have followed a trade-oriented strategy. These states have liberal import regimes; adequate incentives for producers; and realistic prices, interest rates, and exchange rates. The experience of these states demonstrates that the most critical contribution a country can make to its own development lies in pursuing appropriate domestic economic policies. This, I might add, is as true for the United States and developed countries as it is for developing countries.

International Finance

Like the GATT in the area of trade negotiations, strong international institutions exist to foster cooperation in providing essential financial support to developing countries. The IMF, with its proposed expansion of resources, will be strengthened in its role of assisting countries with balance-of-payments difficulties. The World Bank has a large capital base to support its essential role of intermediation between international capital markets and developing countries with limited access to those markets. These institutions, contrary to the claims of their critics, are proving in the current difficult period that they are vital and flexible instruments for supporting global recovery and economic development.

The United States sees international institutions such as the IMF, the World Bank, and the regional development banks as being essential to the needs of the deficit and developing countries. Since recent lending by the IMF has drained Fund liquidity, the Reagan Administration strongly supports the proposed 47.4% quota increase and the expansion of the General Arrangements to Borrow (GAB) from \$7 to \$19 billion. Last week the \$8.4 billion U.S. contribution to these increases was approved on the floor of the U.S. Senate, and action in the House is pending. We are convinced that by providing both good policy advice and supplementary financing to ease the process of adjustment, the IMF contributes to the maintenance of economic and political stability.

A more effective role for the IMF, together with the multilateral banks, will ensure a resilient international financial

system in the 1980s. Working together, these institutions can help developing countries move beyond short-term stabilization to long-term policies that strengthen market forces and allocate resources more efficiently. The result should be accelerated growth, not just stabilization.

The United States and other industrial countries have been actively cooperating over the past 12 months with developing countries which face serious debt problems. Several Latin American countries, for example, have seen their progress halted by a burden of debt service. Initial steps have been taken to stabilize their financial situation through emergency international financing through the IMF and austerity measures. A comprehensive strategy, which was endorsed at Williamsburg, has been pursued. This strategy contains the following elements: effective adjustment and development policies by debtor nations; adequate private and official financing; more open markets; and worldwide economic recovery. A principal objective of this approach has been to preserve the affected countries' creditworthiness and ability to attract new private capital to help finance growth over the coming years. Any

Savings, Aid, and Investment

An open trading system and a strong international financial system will help provide a framework to nurture growth in all countries. Such growth will be fueled in each instance by savings, aid, and investment.

The predominant source of productive investment in all countries is domestic savings. This is as true for developing countries as for industrial countries. Adequate incentives for people to produce, save, and invest are the heart of effective policies for sustained growth. The same incentives are essential to limit the capital flight which has hurt some developing countries and has complicated their debt service problems.

Saving is an area where the record of many developing countries over the past decade has been especially strong. As Prime Minister Gandhi pointed out at this conference last week, over 87% of the \$193 billion India has invested in development since 1951 came from domestic savings. On the average, developing countries have devoted about one-quarter of their gross national product (GNP) to investment, with 80% of that investment financed by domestic savings.

Foreign assistance is not a substitute for domestic savings. There is, in a sense, a pool of world savings. Foreign aid is taken from that pool. Such assistance has an important but limited role in economic development as a supplement to effectively mobilized domestic savings.

alternative generalized approach which would sacrifice this objective would be a wasteful one for all parties.

Achieving these results may require more emphasis on problems of economic management by the IMF and more involvement of the World Bank in sound adjustment programs. Such an approach helps attract increased private direct investment and other financing to provide part of the capital the developing countries will need over the next decade. It augments the direct role of the World Bank as intermediary between international capital markets and developing countries with limited direct access to those markets.

Foreign assistance is not a substitute for domestic savings. There is, in a sense, a pool of world savings. Foreign aid is taken from that pool. Such assistance has an important but limited role in economic development as a supplement to effectively mobilized domestic savings. In the case of the low-income developing countries, where governments have little or no direct access to international capital markets, the role of foreign assistance is especially important.

The United States continues to be the largest provider of official development aid. Last year the U.S. economic

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assistance program totaled \$8.2 billion, having risen from an average of \$6.5 billion in 1980-81. Our assistance efforts are focused on concrete development problems. At this moment, for example, we have assembled in Washington a worldwide conference on a treatment, developed with U.S. technology, to combat infant mortality stemming from dehydration. This treatment may save the lives of 5 million children per year in the developing world.

In addition to the United States, the other 16 members of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) provided official development assistance of \$20 billion in

other economic sectors, portend human tragedy and prolonged turmoil in many African societies unless these tendencies are reversed.

A prominent aspect of the economic crisis in Africa is the impact of drought on food production. As a part of a policy to help affected nations deal with drought and other severe emergencies, the United States regularly supplies emergency food aid to many countries in Africa. Indeed, just this past week the U.S. Government announced that, in response to the disastrous drought and crop failure in southern Africa, it has approved a special, additional \$25 million drought relief program for that stricken region in the year ahead. This

effects of growth in many dynamic developing economies and of budgetary pressures on industrial countries is that the role of investment is growing relative to concessional aid. In recent years U.S. aid has increased at a rate of about 6% a year. In contrast, both earnings from exports to the United States and the flow of U.S. direct investment in developing countries grew during the 1970s by about 20% per year. By the end of 1981 U.S. direct investment in developing countries totaled \$56 billion.

Indeed, international private direct investment presents an important opportunity for developing countries to supplement domestic savings and official assistance. International direct investment can provide many economic benefits to developing countries, such as capital, know-how and technology, as well as expanded employment and exports. Most direct investment contributes to domestic productive capacity without the debt service implications which come with commercial borrowing.

One way to expand the flow of private investment to the developing world is for developed and developing countries to establish ground rules that create favorable conditions for it. Examples are bilateral tax treaties, insurance understandings, and investment agreements worked out or being negotiated between the United States and a growing number of countries. We stand ready, as well, to consider a program of multilateral insurance of investment, as suggested by the President of the World Bank.

In addition, we urge other governments to consider the adverse effects that government intervention, such as performance requirements, can have on their own and the world economies. The United States will encourage and actively participate in continued work in multilateral institutions to address these questions. Further, we encourage adherence by all countries to the Paris Convention for the Protection of Industrial Property and enactment of effective intellectual property laws guaranteeing recognition of patent, copyright, trademark, and other rights to intellectual property. Such laws are essential to assure the flow of foreign direct investment and of related technology and other benefits into both developed and developing countries. The lack of adequate property rights is a major disincentive to investment in manufacturing facilities, to research and development, and to the transfer of technologies.

Economic development is a complex process. Many people think of it only in terms of tangible things, such as the possession of resources. But the possession of resources will not in itself ensure development. The resources must be effectively used.

1982. The combined contributions of all members support a current lending level of \$18 billion annually by the multilateral development banks. Plans call for a rate of annual increase ranging from 12% to 15%, depending on the particular bank, during the current replenishment cycles.

The World Bank's International Development Association (IDA) is seen by the United States as a vital institution for aiding the poorest developing countries. President Reagan has pledged his support to meet the full U.S. commitment to IDA's current replenishment. The U.S. House of Representatives has responded to the President's appeal by approving for this fiscal year the full amount requested by the Administration toward meeting the U.S. commitment to IDA.

In our efforts to meet the special needs of the lower income developing countries, we have viewed with great concern the economic crisis that has spread across much of Africa. President Mitterrand of France has justifiably urged special attention to this problem, posing the danger, in his words, that Africa will become "the lost continent of development." Falling per capita food production, and low productivity in the

addition brings our total food aid to the affected countries in southern Africa, during fiscal 1983, to just under \$100 million.

Emergency measures, however, are not enough to resolve the situation in Africa. Improvement will require initiatives such as the World Bank's "Cooperation for Development in Africa" and donor participation in the Southern Africa Development Coordinating Conference. New efforts on the part of aid donors are also needed to encourage and support urgent reform, particularly in agriculture. In addition, turning around Africa's economic problems will require new approaches by Africans themselves. For Africa, as well as the rest of the developing world, this means instituting reforms such as market prices for farmers, exchange rate policies that encourage domestic food production, and elimination of biases against agriculture in domestic investment and credit. In the absence of such reforms, development assistance and emergency measures can have no lasting productive impact.

One of the goals of such reforms should be the encouragement of foreign direct private investment. The combined

Cooperation for Development

Economic development is a complex process. Many people think of it only in terms of tangible things, such as the possession of resources. But the possession of resources will not in itself ensure development. The resources must be effectively used.

The differences in rates of economic progress among countries do not result primarily from lack of natural resources, histories of oppression, or differences in innate abilities among human beings. They result in the main from policies pursued by individual countries. Unfortunately there are cases in which countries have dissipated precious resources in questionable investments or in subsidizing consumption. In other cases, the most precious resource of all, human initiative, has not been given the incentives to productivity or the freedom to make the kinds of economic decisions which can lead to dynamic and durable growth.

As President Reagan said in his September 1981 speech to the IMF and World Bank:

Only when the human spirit is allowed to invent and create, only when individuals are given a personal stake in deciding economic policies and benefiting from their success—only then can societies remain economically alive, dynamic, prosperous, progressive, and free.

A society develops also by the free association of individuals, working together in voluntary and productive endeavors of every kind. Government has an undeniable role—as the accountable servant of the people; as the provider of public safety and the common defense; as the guarantor of human rights, due process of law, and equal opportunity.

Governments and nations working together have a vital role, because our prosperity and progress today depend upon the health of the global economy as well as that of our own societies. All the dimensions of development—trade liberalization, revived commodity markets, strengthened financial support, increased investment, and the more efficient use of aid—require our collaborative efforts.

This UNCTAD conference has a vital role in advancing these efforts. UNCTAD is an important forum for discussion of development issues. In this regard, we are convinced that UNCTAD's effectiveness could be heightened by the adoption of more systematic and transparent management

methods. The results of deliberations at this conference can be reflected in specific negotiations which take place in the many specialized institutions in which our countries work together. In sum, I am confident that our discussions can make significant progress toward resolving real problems in an atmosphere of cooperation and genuine dialogue.

American Policy To Promote World Development

by W. Allen Wallis

Address before a session sponsored by the International Development Conference on May 18, 1983. Mr. Wallis is Under Secretary for Economic Affairs.

I am honored to have this opportunity to address you. Clearly, the focus of this conference—World Development In Perspective: What Can America Do?—is significant and, judging from the size of this evening's group, generates considerable interest. It is also particularly timely, since the Williamsburg economic summit and the UNCTAD VI [UN Conference on Trade and Development] conference are fast approaching.

Many people respond to the question, what can America do about world development, by talking only of the tangible things we do, especially emphasizing foreign aid. It is easy to make that mistake if one sees development only in terms of money. Others make the mistake of relating it only to compassion and believe that aid will cause deserts to bloom, industries to spring up, commerce to flourish, and well-being to rise miraculously. Still others see the only path to rapid development in collectivism, through which they can impose social, religious, or national goals, regardless of the cost in individual liberty and cultural traditions.

Individual Worth

The real essence of development is different from all of these things. The foundation of development lies in the meaning, aspirations, and worth of each individual. Its realization is in human fulfillment, in the opportunity for all men and women to realize freely their full potential—to make the most of their God-given talents. President Reagan put

In our time, the developing and industrial countries have found their fate linked in a truly global economy. The reality of North and South is now that all of us are in one boat, rising and falling together. We now have in prospect a rising tide—and calmer seas—to speed us on a course of recovery and growth. Working together we can catch that tide. ■

it this way in his October 1981 speech to the Philadelphia World Affairs Council:

We Americans can speak from experience on this subject. When the original settlers arrived here, they faced a wilderness where poverty was their daily lot, danger and starvation their close companions. But through all the dangers, disappointments, and setbacks, they kept their faith. They never stopped believing that with the freedom to try and try again, they could make tomorrow a better day. . . .

Free people build free markets that ignite dynamite development for everyone; and that's the key, but that's not all. Something else helped us create these unparalleled opportunities for growth and personal fulfillment. A strong sense of cooperation; free association among individuals, rooted in institutions of family, church, school, press, and voluntary groups of every kind. Government too played an important role. It helped eradicate slavery and other forms of discrimination. It opened up the frontier through actions like the Homestead Act and rural electrification. And it helped provide a sense of security for those who, through no fault of their own, could not support themselves.

What President Reagan was saying was that government properly does those things that open up opportunities for individuals and that allow natural incentives to operate in freedom. That is quite different from a government that tries to compel and command people to fit into a preconceived mold, keeping them in submission and dependence. It is no accident that those countries that have allowed free play for personal initiative and economic rewards for success now produce more than one-half of the world's product. Furthermore, those developing countries in the Third World that have recently been growing the fastest are precisely those that have increased the economic freedom of their people.

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Thus the most important contribution that the United States can make to world development is to carry to the governments and peoples of the less developed countries (LDCs) the message of our experience—to explain to them its lessons. The sooner they turn their backs on the false claims and real failures of socialism, the sooner they reject the philosophy of compulsion, coercion, and command, the sooner will they open the way to accelerated, meaningful development. This message is the foundation of a program that helps other countries help themselves.

Use of Resources

In ensuring development, possessing resources for growth is not enough. The resources must be effectively used. Unfortunately, there are far too many cases in which countries have squandered precious resources in questionable investments or in subsidizing consumption. In other cases, the most precious resource of all—human initiative—has not been given the freedom to make the kinds of economic decisions which can lead to dynamic and prosperous economic growth. The most critical contribution these countries can make to their development lies in pursuing appropriate domestic economic policies. This, I may add, is equally true for the United States.

Accordingly, U.S. policy to stimulate economic growth in the developing world must encourage countries to adopt market-oriented policies. We focus attention on the role of the private sector—domestic as well as foreign—for mobilizing and effectively utilizing resources for development. Fortunately, there appears to be increased recognition in both developed and developing nations of the role of appropriate economic policies. We are continuing to encourage movement in this direction—directly through bilateral discussions and indirectly through the international financial institutions.

Building on these basic principles, there are tangible steps the United States is taking, and can enlarge upon, to facilitate world development. No country has a better record than our own for positive measures—public and private—that contribute to the strength of the world economy and to growth in the less developed countries.

In discussing positive U.S. measures to promote development in the Third World, I begin from a basic premise: In addressing the economic difficulties and prospects of the developing world, restoring sustained noninflationary economic growth in the United States is the single most significant contribution we can make. The reason for that can be seen from a few statistics.

In 1981 the United States purchased more than \$120 billion in goods and services from developing countries. To be sure, a significant amount of this is accounted for by petroleum products. Nevertheless, U.S. purchases amounted to nearly 20% of all the exports of those LDCs that do not export oil and to 35% of all their exports to developed nations. The growth in U.S. imports of manufactured goods from the developing countries has been impressive. During the 1970s, these imports grew at an average rate of 27% per year; in other words, they doubled every 32 months, on the average. The United States now absorbs over half of all the manufactured exports that non-oil LDCs sell to the Organization for Economic Cooperation and Development (OECD) countries, even though the U.S. market is only one-third of the total OECD market. That means that we take 50% more than our proportionate share. When you consider the billions of dollars of imports from the developing world by the United States alone, not to mention the imports from the other developed countries, direct aid pales by comparison.

Trade and Private Investment

In the long run, it is only through trade that the developing world will be able to earn the external resources it needs for its development. In view of the magnitudes we are dealing with, and of the U.S. role as the developing world's largest customer, we have a responsibility to the rest of the world, as well as to ourselves, to ensure that there is sustained real economic growth in the United States. Correspondingly, as the world's largest trading nation, we must make every effort to ensure that the global trading system is open so that the developing world and the developed world will benefit from, and contribute to, each other's growth.

Fortunately, the United States appears to be well on the road to sustained noninflationary growth. For the past

two decades, our government has overspent, overtaxed, and overregulated. Our growth rate declined. Inflation began to creep, then to run, and then to gallop. Interest rates rose to almost unprecedented heights. The bold measures of the Reagan Administration have now turned the tide. For a while it appeared to some doubting Thomases that Ronald Reagan would prove to be another King Canute. But, as the President says, he knows that his policies are turning the tide because the press no longer refers to his policies as "Reaganomics."

The short-term costs of turning the tide were high, but now inflation and interest rates are down, the leading economic indicators are up, and investor and consumer confidence are returning. The United States is doing its part in ensuring a long-term global economic recovery. Furthermore, despite the economic difficulties of the past few years and the pressure for protectionist trade measures, the United States remains an essentially open market.

The United States is unique in being the world's largest free trade area and one of the most open to world markets; a number of other countries have discovered the same ingredient of success. Like the United States, these countries—advanced developing countries and newly industrialized countries—also contribute through trade to the growth of the LDCs. Their recent growth has been the fastest in the world, and their growing imports are a spur to growth in the other countries they trade with.

Closely related to trade in terms of long-term U.S. impact on development is private investment. In addition to providing additional financial resources to developing countries, foreign investment promotes long-term growth by providing technology, management know-how, and access to international markets. Here, too, the United States has an excellent record. In the 1970s, U.S. investment in developing countries accounted for more than half of total investment by OECD countries in these nations. In the latter half of the past decade, U.S. direct private investment in the developing countries grew at approximately 20% per year. In 1981, reflecting the general economic climate, the rate of growth of U.S. investment abroad dropped but still continued at around 5%. By the end of 1981, U.S. direct investment in developing countries had reached the impressive level of \$56 billion.

Differences Among Developing Countries

Up to now I have discussed the developing countries as if they were all alike. Clearly, however, these countries differ greatly among themselves. Any effective and realistic policy must differentiate among countries and tailor development strategies to the needs and potentials of individual countries and regions. While classification is always somewhat arbitrary, we have frequently found it useful in Washington to recognize several groups of developing countries.

The first group consists of the **oil-exporting countries**, which have capital surpluses. To achieve their ambitious plans for development, these countries need prosperity in the industrial economies so they can sell their oil and invest their surpluses there.

Then there are the so-called **newly industrialized countries**. These nations, through their own efforts and a favorable economic climate, which has permitted great increase in exports and substantial inflows of capital, have achieved dramatic growth.

Next there is a larger growth of countries, sometimes referred to as **middle-income developing countries**, which have achieved some progress but still have widespread poverty. These countries, which in most cases are dependent on exports of one of two commodities, have suffered as the global recession has reduced their exports in both quantity and price. More than renewed growth in the industrial countries is required, however, if these countries are to prosper. Significant adjustments in their economies also are needed.

The fourth group contains the **very poorest developing countries**. These suffer widespread poverty and play only a minor role in the global economy. They lack the basic infrastructure to compete effectively in world markets so cannot attract investment and financing. If self-sustaining growth is to be achieved within a reasonable time, they need charity. Frequently, their economic and governmental policies are so bad that charity, or "aid," is simply futile. In our assistance to these countries, we concentrate in three areas where over the years the United States has developed special competence, namely, food and agriculture, energy, and health and education. We try to use our aid in ways

which encourage economic reforms, which in turn attract private investments.

Of course, I would mislead you if I let it seem that aid to the poorest developing countries is the most important help we can give them. On the contrary, in their case as in others, trade is more important than aid, because trade helps them to help themselves. We have a special program by which their goods come to the U.S. market duty-free, called the generalized system of preferences (GSP). Although the amount of trade affected by this program is small in terms of the U.S. market, it is a large and important spur to development in those countries that export to us with its stimulus.

Even these groupings of countries are partly misleading, however, because they mask the individuality and uniqueness of each country. We base our specific programs on careful study and consultation with the government and people of each country itself. We listen, we learn, we identify problems, and we work out solutions jointly with them.

Direct Aid

A few comments on direct aid are in order. Despite the economic upturn that is under way in the United States and some other countries, the outlook for substantial increases in direct aid is not bright. It is unlikely that the decade of the 1980s will see increases in foreign aid comparable to those of the 1970s. Calls by some developing nations for massive gifts are completely unrealistic. Budgetary conditions in the United States and in other major donor nations simply preclude it.

This makes it all the more important that we focus our limited funds on those countries where it will do the most good. How much good our aid does depends not so much on how badly the recipients need it as on how well they use it. Aid, to be effective, must open the way to expand trade and attract investment. It cannot do that in the face of unsound governmental policies that do not support free markets, protect private property, and maintain a rule of law and political stability.

This means that the *relative* role of concessional aid is diminishing. In fact, this aid is increasing, but trade and borrowing in private markets are increasing

much faster. These latter two contributions to development deserve the emphasis that I gave them, but I would be negligent if I failed to mention the way that direct aid fits into the picture. In line with what I have just been saying, the United States works closely with host governments on economic policy problems important to development. We encourage sound agricultural policies on pricing, credit, and freedom of enterprise.

Furthermore, about half of our development aid goes to food and agriculture. Besides encouraging more private initiative, we contribute to the fundamental research and to the development of new applied technology, in the role that government is most qualified to fill. A major part of our aid also goes to public health and population control programs. By concentrating our aid in recent years on the activities in which government makes a unique contribution, we have made its *effectiveness* grow rapidly even though its amount grew relatively slowly.

The United States has also concentrated its aid increasingly where it is most needed—in the least developed countries, as I noted earlier. Our contributions to multilateral development banks in Asia, Latin America, and Africa are permitting growth rates of lending of 14%–15% per year. The United States continues to be the largest provider of official development aid, and over two-thirds of our aid goes to the poorest countries.

Resolving Debt Problems

No discussion of Third World Development can ignore the serious debt problems which a number of developing nations now face. During the past decade, borrowing on private capital markets became an increasingly important source of financing for many developing countries, particularly the middle- and upper-income ones. As the borrowing climate changed and the world slipped into a prolonged recession, a number of nations came face-to-face with serious debt problems.

Several steps must be taken if these debt problems are to be resolved in a durable way.

- Sound economic policies must be pursued in the debtor countries. These should include sound debt monitoring and management. The World Bank and the International Monetary Fund (IMF) provide valuable assistance in this. It is, obviously, important that neither developed nor developing nations impose new barriers to trade.

- Financial resources must continue to be provided by the international community to support the adjustment of borrowing countries to sound policies. Here the IMF plays a major role. The increases in IMF quotas that are now being considered by Congress are essential.

- The governments and central banks of lending countries must be prepared to provide short-term, transitional financing to fill the gap until IMF programs are in place.

- Commercial banks and export credit agencies must continue a flow of finance to debtor countries that are undertaking sound, IMF-supported adjustment programs.

- Sustained noninflationary economic growth must take place in developing nations.

Development Prospects at the Economic Summit and UNCTAD

Now I would like to outline for you what the United States hopes to accomplish with regard to development at the May 28-30 economic summit in Williamsburg and during the June UNCTAD VI conference in Belgrade.

First, we hope that the summit will confirm that the West's major economies are working effectively toward a restoration of sustainable noninflationary growth. We hope also that the participating countries will commit themselves to a rollback of restrictions on trade which they have introduced in response to the difficult world economic situation. If these developments occur, it will be a major step toward achieving a healthier world economy. In turn, the developing countries will have an opportunity in Belgrade to take similar actions that will restore confidence in global recovery.

Second, we expect that Williamsburg will heighten awareness of the interrelations among trade, finance, and development. The specific relations I refer to are four:

- Between an open international trading system and sustainable non-inflationary economic growth;

- Between open international markets and solution of the debt problems of developing countries and, specifically, the link between their ability to export and their ability to service debt;

- Between short-term financing needed to maintain essential imports, and the economic adjustments they must make, in many developing countries; and

- Between growth in developed countries and growth in developing countries.

As for UNCTAD VI, the United States, drawing on the discussions at the Williamsburg summit, will emphasize the linkages I have mentioned earlier and draw the attention of the developing world to the fact that effective North-South economic relations hinge on mutual responsibilities and benefits in sustaining and improving an open international trading and financial system. We will focus attention also on the indispensable role of free markets in mobilizing energies and resources and more generally on the importance of sound economic policies.

The United States views UNCTAD as a significant major forum for discussions of development issues. We do not, however, generally regard UNCTAD as a suitable forum for negotiating in detail specific development measures. In our view, negotiations of measures to ameliorate current economic difficulties or strengthen the existing trade or financial system are more properly handled within the specialized independent international agencies designed to address these issues—for example the IMF, the General Agreement on Tariffs and Trade (GATT), and the World Bank.

Our discussions with less developed countries and with others at UNCTAD can make significant progress toward the solutions of real problems if there is genuine dialogue and a willingness to listen to each others' points of view. Therefore, in our preliminary discussions with other governments in preparation for UNCTAD, we are working hard to assure that the conference will take place in a cooperative atmosphere rather than one of needless polarization, which would sacrifice the opportunity for agreement. We emphasize that progress lies through recognition of the principle

of mutual benefit through general growth, and that developmental discussions will achieve the most when they have a practical orientation aimed toward finding and correcting the real obstacles to development, case-by-case, or toward discovering unexploited opportunities. Cooperative efforts can then remove those obstacles or open up those opportunities. It is also important to recognize that, as a general rule, the international specialized agencies, such as the IMF and the World Bank, can make important contributions in their areas of expertise.

In summary, the most important single source of growth and development is the talents of individuals, allowed to develop fully and freely by free institutions. Government provides the framework—the protection of law and the assurance of opportunity—with which individuals can reach their full potential and contribute to national development. This framework permits trade to flourish, both domestic and international. When many countries have open, free economies, they reinforce each other while sharing the benefits of growth and development. Thus, open economies with free-flowing trade and private investment, both in developed and developing countries, provide the one sure route to rapid development of the less developed countries. Because of the difficult adjustments now necessary in the developing world, because of the heavy debts and the hangover from the binge of inflation in the past decade, open economies and free-flowing private investment are especially important to recovery and to the resumption of rapid development. Direct aid between countries also will play an important, though secondary, role.

The most important thing is to keep our economies free—both developed and less developed—and to support and maintain the sound international institutions that play a supporting role during this period of adjustment. Keeping to this sound course will permit the recovery now firmly under way to have the maximum effect on the welfare of our people and of people in the developing world. ■

A Collective Approach to East-West Economic Relations

by W. Allen Wallis

Address before the American Society of Business Press Editors in Chicago on June 20, 1983. Mr. Wallis is Under Secretary for Economic Affairs.

My talk this morning is concerned with the effort that the United States and its Japanese, Canadian, and European partners are making to fashion a collective approach to their economic relations with the Soviet Union. As you know, this is a particularly difficult undertaking. The problems lie in the nature of the Soviet system, in the events of the last dozen or so years, and in various economic and geographic differences among the United States and its partners. Nevertheless, the undertaking is succeeding with important concrete and durable results to show for our common efforts.

I will describe some of these results in a few moments, but first I will review briefly how we got where we are and why this process is such a difficult, but at the same time important, undertaking.

Review of East-West Relations

In mid-1983, it is difficult to recall how warm, even euphoric, the atmosphere of East-West relations was in 1972, the heyday of detente. The Soviet Union and the United States had just signed a strategic arms limitation agreement, perceived at the time as an important milestone in limiting arms expenditures and as the prime indicator of relaxation in Soviet-American relations. President Nixon and Premier Brezhnev exchanged visits and signed numerous agreements. Allies on both sides joined in to create a widespread spirit of East-West detente.

Economic relations, naturally, played a major part in the new atmosphere. The West liberalized its credit terms, and the Soviets took advantage of this liberalization to increase their purchases of Western grain and of technology and equipment that they could make only with difficulty or not at all. Truck assembly lines, entire chemical plants and innumerable pieces of capital equipment were purchased by the Soviets. Both sides experienced economic and political benefits from the increased level of trade.

The theory underlying detente was that a web of economic, scientific, cultural, and political relationships would so interlink Soviet and Western societies that their views on security and other core issues would tend to converge. It was believed that the tangible benefits flowing from economic and other interchanges would encourage Soviet restraint in foreign policy.

In forging economic links with the Soviets, the United States was as eager as any nation to increase the level of its commerce. From 1972 to 1975, U.S. trade with the Eastern bloc nearly tripled. The Pullman Corporation helped the Soviets to set up production lines at the Kama River truck plant, and the Bryant Manufacturing Company sold the Soviets equipment that allowed it to make miniature ball bearings of extreme precision.

We all know how the hopeful views of East-West relations spawned early in the decade soured at the end of the decade, especially after 1979. Detente, with its web of relationships and incontestable economic benefits to Soviet society, was no barrier at all when Soviet decisionmakers saw opportunities to advance their strategic position through overseas adventurism or outright military aggression. Anyone who had illusions that fundamental Soviet views had changed during detente was quickly disabused of those notions.

It is a familiar litany to describe how the Soviets, in the late 1970s and after, failed to live up to the hopes of a decade earlier. Their sponsorship of Cuban adventures in Africa, their continuing activities in Indochina, their invasion of Afghanistan, their crackdown in Poland, and their involvement in Central America were visible indications that their fundamental values and policies had not been changed at all by a more lenient, friendly, and cooperative attitude on the part of the West. Underlying these aggressive acts, of course, was the massive and unrelenting Soviet military buildup that went far beyond any reasonable notion of what would be needed to defend the U.S.S.R. Even in the area of strategic arms, supposedly restrained by the SALT [Strategic Arms Limitation Talks] agreement, the Soviets continued the most massive buildup in all history.

Western Reevaluation of Relationship

As the Soviets demonstrated that their fundamental values and policies had not changed, Western governments began to reevaluate their economic, political, and security relationships with the East. Attitudes changed quickly in the United States. A pivotal point was our refusal in 1979 to ratify the SALT II Treaty. That has been followed by strenuous efforts to increase our defenses against the Soviet threat. Our allies and partners also concluded, in the various and wondrous ways by which democratic nations reach decisions, that the relaxed policies of a decade earlier were no longer appropriate—perhaps never had been. Soviet behavior made it obviously dangerous to conduct economic relations with the Soviets in ways that underwrite and enhance military capabilities. The danger was underscored by direct use by the Soviets of equipment from the West to manufacture items for their military. The ship that had embarked so hopefully upon the seas of detente obviously had to come about and chart a new course.

In the economic area, it was hardly a surprise that U.S. attitudes changed more rapidly than those of our European and Japanese partners. European and Japanese trade with the East has always been much more extensive than that of the United States, even before the Russian revolution of 1917. There is a natural complementarity of trade between Eastern raw materials and Western manufactured goods. This factor, combined with geographic proximity, means that East-West trade is much more important to Europeans and Japanese than to Americans.

As Western views changed, differences in the pace with which individual governments reevaluated their positions on East-West economic relations created noticeable tensions within the alliance. Such tensions are, of course, a fact of life in relations among democratic states. It is the job of statesmen to resolve the differences and preserve the fundamental community of values among their respective nations.

It is interesting to trace this change in attitudes, to see how difficult it can be to change course on a major policy question. In announcing his candidacy for president, Ronald Reagan said:

On the foreign front, the decade of the 1980s will place severe pressures upon the United States and its allies. We can expect to be tested in ways calculated to try our patience, to confound our resolve, and to erode our belief in ourselves.

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For the most of the last forty years, we have been preoccupied with the global struggle—the competition with the Soviet Union and with our responsibilities to our allies. But too often in recent times we have just drifted along with events, responding as if we thought of ourselves as a nation in decline.

It is now time to take stock of our own house and to resupply its strength.

Our process started within the government with a thorough analysis of East-West economic relations, and the work with the allies began in earnest at the Ottawa economic summit in July 1981. The leaders at Ottawa made a significant statement about East-West relations:

We concluded that consultations and, where appropriate, coordination are necessary to ensure that, in the field of East-West relations, our economic policies continue to be compatible with our political and security objectives.

During the following year, leading up to the summit at Versailles, we worked with our summit partners on a number of specific issues—principally on the problem of European vulnerability to disruption of Soviet gas exports. At Versailles, the leaders again adopted a statement on East-West economic issues, but it was clear that the analyses of the issues by the leaders were different enough to create problems in interpretation and implementation.

Last summer, when Secretary Shultz entered office, he was asked by the President to listen carefully to what our allies and friends were saying. George Shultz is an able and experienced negotiator who appreciates the value of listening. As he listened, he recognized two fundamental facts. First, that there was enough convergence in the views that he heard to give a good chance of reaching agreement on a collective approach to East-West economic relations and, second, that a collective approach would be much more effective than a unilateral approach.

On Secretary Shultz's recommendation, President Reagan last November lifted the restrictions imposed 5 months earlier on the sale of oil and gas equipment to the Soviet Union. In taking this action, the President emphasized that the United States and its European, Japanese, and Canadian partners had agreed to undertake a series of analyses of East-West economic relations designed to provide a framework for a collective approach to these relations. The analyses were undertaken immediately in a variety of locations. It is the results

of those analyses that are the core of my message today.

- In the Organization for Economic Cooperation and Development, East-West financial relations and credit terms were examined. Special attention was given to problems stemming from Eastern nations' centralized control of trade. A continuous review of a broad spectrum of problems in East-West economic relations was started.

- The International Energy Agency analyzed the dangers created by undue energy dependence, and it considered alternative sources of energy.

- The North Atlantic Treaty Organization examined the overall security implications of East-West economic relations.

- The Coordinating Committee for Multilateral Security Export Controls (COCOM) studied ways of improving surveillance and control over Western exports that have strategic or military implications.

Basic Framework

While some work is continuing in each of these organizations, major segments of the analyses that were started last November have now been completed. The results achieved thus far provide a basic framework that has been agreed upon by the United States and its partners for the conduct of East-West economic relations. The hopes of President Reagan and Secretary Shultz in undertaking the analyses have been borne out amply by the positive and constructive spirit in which they were conducted and by the results that have been achieved. In fact, the conclusions based on those analyses that had been agreed to before the 1983 summit meeting of industrialized countries made it unnecessary for the seven heads of government to spend much time at Williamsburg on this subject. In the Williamsburg declaration the heads of state and government said:

East-West economic relations should be compatible with our security interests. We take note with approval of the work of the multilateral organizations which have in recent months analyzed and drawn conclusions regarding the key aspects of East-West economic relations. We encourage continuing work by these organizations, as appropriate.

Let me review for you some of the major points on which the leaders based that statement.

First, they recognize that the Soviets use some forms of trade to enhance their military capabilities and that, as a result, we must be vigilant to ensure that economic relations are consistent with our common security interests. While some forms of trade that are conducted on commercially sound terms can benefit both sides, we must insist on a balance of advantages and avoid preferential treatment of the Soviets.

Second, in regard to energy, the United States and its partners recognize that natural gas, with its relatively inflexible supply system, poses particular security problems. We have agreed that, in meeting future gas needs, we will take concrete steps to ensure that no one producer is in a position to exercise monopoly power over industrial countries. Further, we are also acting to encourage the production of natural gas from Norwegian and North American sources, and each nation is improving its safety-net measures in order to be able to deal with any interruptions of supply. The United States and its partners have agreed also to conduct regular reviews of each country's energy policy, giving special attention to dependencies and alternative sources of supply. We believe that these concrete accomplishments will enhance Western energy security and make it more difficult for the Soviets to use its abundant energy resources to extract political gains.

Third, we reached agreement that it is not sensible to continue to give the Soviets the same reductions on interest rates given to newly industrialized countries to finance their imports. Our agreed minimum interest rate for official lending to rich countries, including the Soviets is now 12.4%, nearly two points above the current U.S. prime rate. Also in the area of credits, we are working to improve our ability to monitor credit flows, so that our data on foreign indebtedness will be accurate and up to date.

Finally, in coordinating controls over the export of strategic technology, we are united with our allies in declaring that economic relations should not be permitted to contribute to Soviet military capabilities. At an April high-level meeting with our COCOM partners we explored ways in which the multilateral system of controls could be strengthened. The proceedings of the meeting are confidential, but I can say that the United States is well pleased with the work on improving coordination in export licensing and in the enforce-

ment of controls. We are confident that the results of the COCOM work will reduce the flow of high technology to the East.

As you are aware, none of the organizations within which these analyses were performed (IEA, OECD, NATO, and COCOM), is a supranational body whose recommendations are binding on member states. Indeed, such a rigid arrangement would be antithetical to the spirit of our alliances and friendships with other democratic countries. Instead, the countries with which we have collaborated in these analyses have agreed with us concerning the validity, relevance, and importance of the findings; and they have agreed to take the conclusions strongly into account as they formulate their own national policies. We are confident that the results that have been achieved through this collective approach to East-West economic issues will yield valuable benefits for Western security.

I mentioned earlier that some aspects of the studies are continuing. We are seeking to build on the results that have been achieved thus far and heighten awareness of the security dimension of East-West economic relations. We are starting a process that will examine East-West economic relations as they develop and will provide informed analyses for the use of policymakers. Specific efforts that are in process now include:

- An effort in COCOM to strengthen that organization and examine whether members' security interests require controls on additional high technology items;
- Continuing work within NATO on the security implications of East-West economic relations;
- An analysis in OECD of the balance of economic advantages in East-West trade; and
- The ongoing study I mentioned earlier of national energy policies and Western energy security.

Before I conclude, let me restate our position on East-West economic relations and say why we think this area is so important. First, let me emphasize categorically that we are not waging economic warfare against the Soviet Union. We do not seek to cause the "collapse" of their economy. In fact, we would not want that—that would be a dangerous development. We favor mutually beneficial economic relations where those relations are conducted on

commercial terms and where the advantages are mutual and balanced. An example of mutually beneficial trade is agriculture, where a U.S. team is at this moment in Moscow negotiating a new long-term agreement for grain sales to the Soviets.

We must keep in mind, however, that the Soviets vigorously seek to use trade with the West to enhance their strategic position and that they choose to devote 15% of their gross national product to the military—a level far beyond what can possibly be regarded as "defense." They have also not acted as a responsible and restrained member of the international order. As Secretary Shultz put it last week in his statement to the Senate Foreign Relations Committee, unconstructive Soviet behavior has needlessly drawn more and more international problems into the East-West rivalry and made the task of managing our relationship more difficult. In the light of this, the United States and its partners have agreed to conduct their economic relations with the Soviets in a way that does not give preferential treatment to the Soviets or benefit their military position. It is crucial that we

not permit our economic relations with the Soviets to be used in ways that reduce Western security.

Conclusion

To summarize, let me again state that the process of turning away from the economics of detente has been a long and reluctant one for the United States and its friends and allies. Differences of perception within the alliance and variations in the pace at which views have evolved sometimes have made the path rocky. Yet, through patient and statesmanlike determination, a collective approach to East-West economic relations has been forged.

We are confident that this collective approach has strengthened our common security, just as President Reagan said in his radio address last November 13 that it would. It has provided a sound basis for Western economic policy toward the East for the rest of the decade and beyond. Perhaps this approach can reduce, at least modestly, the amounts that we must spend each year to defend the values and liberties that we and our partners hold dear. ■

The World Economy After Williamsburg

by W. Allen Wallis

Address before the American Chamber of Commerce in Wellington, New Zealand, on June 22, 1983. Mr. Wallis is Under Secretary for Economic Affairs.

It is a pleasure to be with you this afternoon to look briefly at the world economy after Williamsburg. I must confess that 6 months ago I was not sure that there would be a world after Williamsburg—we in Washington were so wrapped up in its preparation. But I was brought back to the real world one Sunday afternoon in March. I was in Florida with some old friends from Rochester. One of the group asked me what I was doing in Washington; I said I was the "sherpa" for the economic summit. He said: "The summit, what's that?" I recount this story to put the Williamsburg meeting in its proper perspective—an important meeting but not an event that will shake the world. The world after Williamsburg depends not on what the participants did and

said there but what they will do back home: to support the recovery, to reverse protectionism, and to encourage the process of economic development around the world. And it depends as much on the heads of other governments as on the seven presidents and prime ministers who met at Williamsburg the last 3 days in May.

After reading the final declaration, President Reagan added his personal assessment of the results. He said: "Our meeting has shown a spirit of confidence, optimism, and certainty—confidence that recovery is underway, optimism that it will be durable, and certainty that economic policy and security ties among us will be strengthened in the future."

Sustaining International Recovery

Let me elaborate on these points. "Confidence that recovery is underway" is not simply wishful thinking. It is based on good evidence that virtually all of the leaders brought to Williamsburg. Speaking for the United States, I can assure

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you that our economy certainly looks good. Industrial production has been rising for 6 months and by May was nearly 7% above its November low. Employment has increased by nearly 800,000 from its December low, and the unemployment rate has fallen from 10.7% in December to 10.0% in May. Personal incomes are rising and retail sales are gaining momentum. Although real GNP rose at only a 2.5% annual rate in the first quarter of this year, we estimate it grew at over 6% during the second quarter, and we forecast that the fourth quarter of 1983 will exceed the fourth quarter of 1982 by at least 5%.

The beginning of the recovery has been accompanied by price stability. The producer price index for all finished goods was no higher in April than it had been the previous September, and the consumer price index in April was less than 1% above its level 6 months earlier. This favorable price performance is, in part, a reflection of the unusual decline in energy prices that has occurred in the past few months. But even when the volatile prices of energy, food, and shelter are excluded, the consumer price index increased at an annual rate of only 4% between October and April.

Labor productivity is increasing sharply this year, and wages are rising only moderately. Thus, unit labor costs are increasing very little. In the first quarter of 1983, unit labor costs in non-farm business rose at an annual rate of only 1.2%, down dramatically from the 7.2% increase in 1982 and the 11.2% increase in 1981.

When the inflation news is so good month after month, it is easy to forget that consumer prices rose 25% as recently as the 2 years ending in December 1980.

President Reagan's "optimism that the recovery will be durable" is based on the leaders' determination to avoid the pitfalls that have brought us a decade of boom-bust, stop-go economic performance. The Williamsburg declaration clearly emphasizes the need to avoid three dangers if we are to achieve growth that is noninflationary and sustainable.

First, the Williamsburg declaration follows the consensus established at the OECD [Organization for Economic Cooperation and Development] ministerial meeting earlier in May to take a medium-term approach to economic policy, eschewing the route of "quick fixes" and quicker disappointments.

Second, the participants at Williamsburg recognized trade as the mechanism that transmits growth in one

country to other countries, thereby enlarging the market, increasing efficiency, and spurring more growth. The statement on trade from Williamsburg is the strongest yet in a series of recent major statements on world trade. At the GATT [General Agreement on Tariffs and Trade] meeting last November, the trade ministers hinted at the need to remove trade barriers. At the OECD, ministers agreed to fight protectionism and dismantle trade barriers. At Williamsburg, the heads of government of the seven largest economies committed themselves "to halt protectionism, and as recovery proceeds to reverse it by dismantling trade barriers." They went on to state their intention to monitor this commitment "within the appropriate existing fora" such as the GATT and the OECD. A new wave of protection would spell the end to the recovery before it gets underway. Only heads of government can balance all of the interests and judge that protection is the wrong way to go. As I said earlier, the words at Williamsburg will not change the world, but adherence to this one commitment on trade can. You could be certain that we in the United States will be pursuing this vigorously.

A third danger to sustaining the recovery that was dealt with at Williamsburg is more international in character: the heavy burden of debt that hangs over more than a score of developing countries. Substantial progress has been made in the past year in dealing with the serious financial problems of Mexico, Brazil, and other countries, but the situation is far from settled. Failure to resolve these problems could threaten the trading and financial arrangements of the world and thus undermine the recovery that is clearly underway. The debtor countries must continue to make substantial, indeed painful, adjustments to bring their domestic finances and international trade balances into a more satisfactory state. At the same time, the commercial banks, the IMF [International Monetary Fund], and the individual governments must also strengthen their own collaborative efforts. The Williamsburg declaration is clear on this point, again in terms very similar to the consensus reached at the OECD earlier. A key step—early ratification of the IMF quota increases—is a top legislative priority for us back in Washington. We have recently had good news from the Senate on this score.

Three Fallacies

Many would add the budget deficits in the United States to this list of dangers to the growing recovery. I do not want to dismiss the evil of budget deficits lightly, but before I address their evil side, allow me a few moments to address three fallacies which are tied back to budget deficits. The fallacies arise from a chain of causality that goes something like this: high deficits, caused by the recent tax rate reductions and the defense spending program, force up real interest rates. These higher real interest rates attract capital from abroad which raises the value of the U.S. dollar relative to other currencies. Let's consider three links in this chain:

- The link between exchange rates and interest rates;
- The link between interest rates (especially real interest rates) and budget deficits; and
- The link between deficits and taxes (throwing in defense expenditures for good measure).

Exchange Rates and Interest Rates. To be sure, the dollar has been strong. Equivalently, the franc, the pound, and the mark have been weak. Also, the United States is running a current account deficit in its balance of payments, largely because the value of imports exceeds the value of exports. That deficit is expected to reach record levels this year.

The strong dollar is a spur to export industries in foreign countries and to their industries that compete with imports from the United States. Correspondingly, it's a handicap to our exporters in a very big way.

Individuals who believe that the dollar is overvalued, in the sense that they believe that its foreign exchange value will fall, can readily put their own money where their judgments are and buy francs, marks, and so forth, or sell the dollar short. Note that the international monetary market of the Chicago Mercantile Exchange and other futures exchanges offer easy and efficient access to those wishing either to speculate in foreign exchange markets or to hedge against exchange rate changes and volatility. The strength of the dollar is largely a consequence of the successful anti-inflation policy of the United States, of the safe haven the United States affords foreign investors, and of the improved prospects in the United States for substantial economic recovery. In my judgment, high interest rates are not the major factor causing the dollar to be so

high. When interest rates in the United States fell sharply from July through November of 1982, the dollar continued to strengthen against the British pound, the German mark, the French franc, the Japanese yen, the Italian lira, and other major foreign currencies. If U.S. interest rates are crucial in determining foreign exchange rates, why did the dollar strengthen, not weaken, when U.S. interest rates cascaded down?

Look at a specific example: Since December 1980 the French franc has depreciated about 65% against the dollar, from 4.5 francs per dollar, to 7.4. What has happened to interest rates in the United States and France over that period? U.S. short-term rates were 16.3% in December 1980 and are now around 8.7%. Comparable French rates were 11.5% then, 12.6% now. U.S. rates have fallen sharply—French rates have risen. The differential has shifted by nearly 10 percentage points in favor of French assets. If anything, that should have led to a stronger franc and a weaker dollar. It obviously didn't. Even for a more recent period—say since May 1981—the franc has fallen by about 35%; the interest rate differential has moved about 5 points in favor of French assets. Similar lack of correlation between changes in interest rates and changes in exchange rates can be found in other pairs of currencies, though they are not often as dramatic. We must acknowledge that other factors have been more important than interest rates in determining exchange rates.

Deficits and Interest Rates. Now I want to turn to the link between deficits and interest rates. Now that I have debunked the idea that interest rates dominate exchange rates, you may not be interested in U.S. interest rates—but they are important, both for the U.S. recovery and for the debt servicing problems of developing countries or other countries with external debt.

Nominal interest rates in the United States have fallen drastically. In 1981, the first year of the Reagan Administration, interest rates peaked at 15.5% (AAA corporate bonds) when the Federal deficit was \$60 billion, or 2% of U.S. gross national product. So far this year, the same long-term rate is about 11% while the projected deficit is \$191 billion (for calendar year 1983), about 6% of GNP. In other words, the deficit tripled as a percentage of the total economy and long-term bond rates have dropped by more than a quarter.

It is a widespread myth that the real rate of interest in the United States at

present is high. This is emphasized especially by those who blame most of the world's ills on the high real rate of interest in the United States. They are just imagining that it's high; it's not. In fact, there is no evidence at all that the real rate in the United States today is high.

How is the real rate of interest calculated? The correct way is to take the nominal rate of interest and subtract from it the anticipated rate of inflation. The incorrect, but common, way is to take the nominal rate and subtract the current rate of inflation. At present, there is a substantial discrepancy between the current and the anticipated rates of inflation. Consequently, there is a substantial difference between the real rate and the unreal real rate.

The nominal rate of interest currently is something on the order of 10%. A recent survey of businessmen shows that they anticipate a rate of inflation of 6–7% for the next 10 years. This implies that the real real rate of interest currently is 3–4%, which is in line with historical experience. The unreal, or erroneous, real rate, however, appears to be 7 or 8% if the current rate of inflation is 2 or 3%.

Why the discrepancy between the current and the anticipated rates of inflation? The answer, I think, is experience. Since the Second World War, the U.S. Government has said continuously and emphatically that it was going to eliminate inflation. Inflation has, in fact, been essentially eliminated three or four times in that period. Mark Twain said that he knows that it is easy to stop smoking, because he has done it many times. Similarly, we can say that it is easy to stop inflation: we know, because we have done it several times. After each time, however, we went back to a rate of inflation that was even higher than the one we cured. People in the market are aware of this; so, regardless of the intentions of the Administration, they are going to be slow to conclude that inflation really has been brought under lasting control. If, in fact, inflation is kept under control for a period, people in the market will gradually regain confidence and lower their anticipations of the rate of inflation. After all, until about 20 years ago, the United States had very little inflation except in times of war. The average rate from the beginning of the government until 20 years ago, omitting periods of war, was about zero, and perhaps even half a percent negative. So there is a real chance of bringing real interest rates down, provided that the government manages to "stay the

course." The only way to lower the real rate of interest is to gain credibility for government intentions.

Deficits and Taxes. Since the Reagan Administration proposed and the Congress passed a major tax bill cutting marginal tax rates and then indexing tax rates to eliminate so-called bracket creep, it is assumed by many that the deficit is due to insufficient taxation. Why else would we be hearing so many voices in Washington advocating cancellation of the 1983 tax rate cut or elimination of indexation? But taxes are not the issue, nor as I just said, are deficits; the issue is government spending. Government spending uses up resources and leaves fewer resources for the private sector. If resources are used less efficiently in the public sector than in the private sector, overall efficiency falls. Even if the same number of people are at work, total output is less useful, less valuable. This is the equivalent of a fall in output. I believe that we are well past this point at the present time in most areas of government expenditures. This is the major reason for shrinking the public sector in order to make possible a larger total pie.

If more resources are to be channeled into the public sector, higher taxes depress private sector activity, thereby freeing resources and making them available for the public sector. However, when President Reagan took office tax rates had become so high—largely because effective rates had been driven up by inflation rather than being explicitly legislated by Congress—that the private sector was too depressed for our own good. Moreover, the depressive effects of high and rising marginal tax rates have differentially depressed saving, capital formation, and risk taking more than consumption, and reduced work effort more than leisure.

High taxes worked all too well in curtailing private sector activity. We needed a reduction in marginal tax rates, especially those taxes that discourage investment, saving, risk taking, and work. We also needed a reduction in marginal tax rates to undo some or all of the bracket creep of recent years. To achieve these results, the President's program proposed a permanent and predictable cut in marginal tax rates, including indexation of the tax system to prevent future bracket creep. Higher taxes would only reduce output, employment, and economic growth.

I believe we hear so little about speeding up or enlarging tax cuts and so much about rescinding the 1983 tax cut

and the future indexing of the Federal tax code precisely because there is a well understood link between revenues and government spending. Spenders simply want the revenues to maintain or to expand government spending. Spenders want control of more income so they can spend it the way they wish.

Understandably, the big spenders are fighting hard to retain the revenue system that depends on inflation-induced, unlegislated tax rate increases—bracket creep—under which they have prospered while the economy has suffered. To succeed, the big spenders need, as before, the cooperation of fiscal conservatives eager or willing to raise taxes to reduce deficits. In the process, fiscal conservatives become the tax collectors for spenders. After each tax increase, deficits don't really decline because expenditures tend to rise at least as fast as revenues. Many of us who supported, and continue to support, tax reduction and indexation of the tax code do so precisely because we believe that restraining revenues is necessary to restrain government spending.

This is why deficits do matter and must be reduced. Deficits are the measure of indiscipline in government spending. The Williamsburg declaration contained a commitment to reduce budget deficits—not by raising taxes but by limiting the growth of expenditures. The Administration remains committed to this goal.

These elements—the facts that recovery is well underway in the United States and elsewhere; that the summit leaders have agreed on a strategy that gives real promise it will be sustained and noninflationary; and their commitments to assure it is transmitted to other countries through positive action to reduce trade barriers and maintain an adequate flow of financial resources to manage current international debt problems—can indeed give us confidence that we will be able to meet and surmount the challenges we face in the future. However, as I stressed earlier, it is what we do, not what we say that is the only guarantee of our success. Thus, the real judgment on the prospects for global recovery and sustainable growth will be determined by our actions in the months to come. Williamsburg laid the foundations on which we can build; it will be up to the governments represented there, in cooperation with their partners in other countries, to make the Williamsburg concepts reality. ■

Building Trade With Africa

Following is a joint statement prepared by Leonard H. Robinson, Jr., Deputy Assistant Secretary for African Affairs, and Denis Lamb, Deputy Assistant Secretary for Economic and Business Affairs, and submitted to the Subcommittees on African Affairs and International Economic Policy and Trade of the House Foreign Affairs Committee and the Subcommittee on General Oversight and the Economy of the House Committee on Business Affairs, on May 19, 1983.

The title of this hearing is "building trade with Africa." The subject implied by the committee's written questions is, however, clearly somewhat broader, involving aid, investment, and other aspects of this Administration's policy of emphasizing the private sector in our relationship with Africa. We firmly believe that this broader perspective is correct and that it would be a mistake to see our export trade relationship with Africa in isolation from other concerns. In the end, our exports to Africa will depend on the growth and development of the African economies. The question is how we can influence this process, and your interest, if we understand correctly, is focused on the role of African and American entrepreneurs, large and small, in attaining mutual goals.

The subject under discussion is of great concern to us. Virtually every action we have taken in the last 3 years has emphasized the theme of encouraging the private sector as an agent of economic growth and development in Africa. We view such growth and development as a prerequisite for our broader goal of a just, prosperous, and stable Africa—a goal which is, first and foremost, that of the Africans themselves. We have been at pains to emphasize that this policy is not one of "stuffing capitalism down the throats of reluctant socialists," that it is responsive to African aspirations, and that it encompasses small producers and entrepreneurs, including farmers—both in Africa and in the United States—as well as larger, sometimes multinational corporate traders and investors. Ours is a multiple agenda—encouraging small-scale African producers, helping build institutions and policies that will underpin large-scale African enterprise in the future, and supporting our own traders and investors in their efforts to venture into this often unfamiliar world.

Role of State Department and Other Agencies

One of the purposes of this hearing is to determine how the State Department and other agencies work together to implement this new policy. Briefly, State's role has three aspects, each rooted in our conviction that a stronger private sector relationship with our African partners will be politically and economically advantageous to both sides.

First, the State Department encourages greater attention by our specialized economic agencies—Commerce, OPIC [Overseas Private Investment Corporation], ExIm bank [Export-Import Bank], AID [Agency for International Development], and others—to the problems and opportunities of the world's least developed continent.

Second, at our embassies abroad, State Department commercial officers implement a number of programs and offer a host of services to visiting U.S. businessmen.

Third, in cooperation with Commerce and other agencies, we have an active outreach program to acquaint American business here at home, most emphatically including small and minority business, with the challenge of trade and investment in Africa and the relevant U.S. Government support services.

We would like to say a word about each of these three functions, and then conclude by noting some possible areas for improvement.

Use of Other Agencies. In Washington, State operates under some serious constraints. We have no budget or operational responsibility for private sector support programs. We rely almost entirely on other agencies. Yet we are the only agency that is charged with viewing such programs in the context of our overall foreign policy interests. As a result, we spend much time encouraging other agencies to do more in Africa and trying to make sure that individual countries or regions are not neglected. The appointment of a Deputy Assistant Secretary in the Africa Bureau dedicated to private sector issues reflects the importance we attach to this objective. To this end, a Deputy Assistant Secretary of the Africa Bureau meets informally with other agency colleagues about once a month. Similarly, the State Department, through the Economic Bureau, works hard within the councils of the executive

branch to achieve a more effective policy framework. For example, we have supported liberalization of the tax regime for American businessmen abroad, the enactment of export trading company legislation—which should make it easier for small and medium firms to operate in Africa—and the revision, still under deliberation by the Congress, of the Foreign Corrupt Practices Act. At the same time, we have supported AID's growing emphasis on building the indigenous private sector in Africa.

Following President Reagan's commitment at Cancun, the Africa Bureau has worked with AID to design agricultural assistance teams composed of academic and commercial experts that visited Liberia in 1982 and Guinea in early 1983 to identify profitable agricultural ventures and to define strategies for attracting new capital to exploit those opportunities. These efforts should help Liberia and Guinea attain agricultural self-reliance and provide opportunities for sales of U.S. agricultural tools and technical services.

State also cooperated with a major U.S. bank to place an experienced American financial expert as a personal adviser to President Sekou Toure of Guinea. He will be able to offer President Toure critical analysis on the impediments to economic growth in Guinea and to suggest reforms required to attract capital into productive activity.

We remain attentive in other ways to the problems which U.S. businesses confront in the difficult African environment. The Departments of State and Commerce, as well as the Department of Agriculture and AID, are active participants in a number of established forums that also seek to encourage African governments to improve the climate for profit-oriented enterprises.

These include, for example, the U.S.-Nigeria Business Council and the U.S.-Nigeria Joint Agricultural Consultation Committee, each of which meets in both Washington and Lagos, as well as the U.S.-Sudan Business Council which meets in Washington and Khartoum. These councils provide businessmen an opportunity to discuss their concerns regarding commercial policies and regulations directly and frankly with senior government officials on both continents. They are also vehicles which can bring potentially profitable opportunities to the attention of American investors and traders.

U.S. Embassies. The Department's greatest tangible asset is not, however, in Washington. It consists of our em-

bassies abroad. In 34 of our sub-Saharan posts, the State Department retains responsibilities for commercial activities, and in the others we work closely with the foreign commercial service. But the role of our embassies goes far beyond promoting trade, important as that is. They also provide a wealth of information, including what amounts to free political risk assessment for American businessmen. Such services may not be important in developed countries or even in more advanced LDCs [less developed countries], but they are often invaluable in the relatively unfamiliar world of Africa.

Much the same kind of service is also provided by State desk officers in Washington, where we have for the last 3 years, and with the explicit support of the Secretary, maintained an "open door" policy toward business visitors. Our embassies, from Ambassador to political and economic officers, also play a role in providing frank counsel to African governments on suggested reforms to promote economic growth and stability.

"Outreach." Our third concern can be broadly defined as "outreach." More than 1.4 million cables pour into the State Department annually, and much of this information is of interest to the business community. We are convinced that when American entrepreneurs are better informed about African opportunities, we will see growth in our trade and investment in Africa. To achieve this, State and Commerce have jointly sponsored a series of regional conferences on trade and investment in Africa, the most recent of which took place in Houston in April. Similarly, the Economic Bureau holds executive-diplomatic seminars with segments devoted to each major region of the world, and we participate in many events sponsored by private groups for the same general purpose. I would emphasize that in describing commercial opportunities in Africa we attempt to be objective and do not gloss over the difficulties that cloud the business climate in many sub-Saharan countries. We have consistently emphasized that business success in Africa usually demands a long-term commitment and patient, personal contact with Africans.

Within our outreach agenda we place special emphasis on opportunities for small and minority businesses. Invitation lists to conferences and seminars are compiled with care to ensure minority representation. Minority firms have participated in such major

events as the January 1982 cabinet-level trade mission to Africa, and both AID and Commerce maintain offices which are charged with encouraging increased participation of minority firms in our export and foreign assistance programs.

Future Plans

We would like to say a little about the future, and what could be done better. It goes without saying that we have a long way to go. Viewed from the end of a world recession, and bearing in mind that recovery will come last to Africa, the distance sometimes seems infinite. In 1982, according to the latest Commerce Department figures, U.S. imports from sub-Saharan Africa fell by 15%, partly due to sharp decline in oil purchases from Nigeria, while our exports were off by almost 7%, from \$6.6 billion in 1981 to \$5.4 billion in 1982.

These figures certainly do not mean that Africa is a hopeless case. They do illustrate something we already know—that commodity dependent LDCs have been particularly hard hit by world recession. They underline the urgency of African economies diversifying and developing a broader range of productive activities, beginning necessarily with the traditionally neglected agricultural sector. They also suggest that our approach to these deeply troubled economies should not, indeed, cannot be "business as usual."

Passage of Legislation. First, we can push through to completion the Administration's current legislative agenda, including passage of a revised Foreign Corrupt Practices Act to eliminate needless ambiguities in that law. We can press ahead with our agenda of bilateral investment treaties to help regularize our private sector relationships in Africa and elsewhere. Bilateral investment treaties negotiations are, among other things, a useful vehicle for engaging in dialogue with African governments on means of improving the local investment climate.

Encouraging Supportive Institutions and Policies. We must further refine our ongoing effort to encourage, largely through AID, the kinds of institutions and policies that will support, not stifle, the most productive elements in African society. I would note that AID is pursuing this effort on two tracks. In its agriculture, health, and other programs, AID's Africa Bureau engages in constant dialogue with African governments to improve the

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policy, regulatory, and legal framework, with the aim of stimulating indigenous private enterprise and increasing entrepreneurial and managerial skill. AID's programs are also designed to maximize the role of market forces as opposed to the practice—prevalent among many aid donors in the past—of relying exclusively on government bureaucracies and often creating new ones.

Meanwhile, the new Private Enterprise Bureau (PRE) is designing experimental projects in selected countries to develop financial institutions and intermediaries and to assist governments in privatizing state-owned enterprises. PRE is also developing a program of private sector advisory services which will be available to be drawn upon by individual AID missions in Africa and around the world.

Specialized Economic Agencies. It was mentioned earlier that one of the Africa Bureau's functions is to stimulate, wherever possible, adequate allocation of resources to Africa by our specialized economic agencies. A recent study by the Battelle Corporation entitled "Obstacles to Private Sector Activities in Africa" concludes that the State Department should accelerate and formalize this coordinating role. I would note that although the study was sponsored by the State Department, we certainly did not "precook" the results. We, nevertheless, find the conclusions interesting and will be studying it with some care.

One theme that pervades the Battelle study—and that is echoed by practically anyone with business experience in Africa—is the concerted manner in which the Europeans and Japanese devote resources to their traders and investors. This support is sometimes in the form of subsidization (e.g., the use of mixed credits which, with limited exception in the case of agricultural commodities, are contrary to U.S. policy). Underlying this issue, however, is a totally different relationship between government and business and how they relate to Third World economic policies. Our allies see aid as serving multiple ends, including political objectives, export promotion, and facilitation of investment as well as development. Indeed, they see these goals as complementary, not conflicting. Their approach is epitomized by the Lomé convention, which wraps aid, trade, and technology transfer instruments into one contractual relationship between the European Community and its former colonies.

Our own approach is very different. U.S. business and government have

traditionally operated independently, and U.S. Government agencies each pursue separate and usually distinct objectives. The American public and, indeed, the U.S. Congress, often perceives aid as a kind of charity, not as a means of enhancing our own self-interest. Political and/or commercial objectives are typically regarded as antithetical to the goal of development. In short, our policy does not integrate political, aid, trade, and investment goals.

The Administration's Caribbean Basin Initiative represents a modest step away from our traditional approach, toward the European model. Perhaps we should consider whether the poorest countries, many of which are in Africa, do not also deserve a measure of special treatment. It could take many forms, not necessarily similar to the Caribbean Basin Initiative. But there is no question that we need to give serious thought to this issue—how to make our

policy fit the special conditions of Africa and serve our own broadening political and economic objectives.

From our perspective, it seems obvious that there is, indeed, a relationship between our various goals. Surely political stability in Africa is a *sine qua non* for economic stability. Development in the agricultural sector will create new opportunities for U.S. trade and investment, especially in the field of agribusiness, where the United States leads the world. Seen from this point of view, our aid, if it successfully stimulates a better investment climate, is anything but charity, and our commercial concerns can hardly be divorced from our interest in African development.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

North Atlantic Council Meets in Paris

Secretary Shultz departed Washington, D.C., on June 8, 1983, to attend the regular semiannual session of the North Atlantic Council ministerial meeting (June 9-10).

Following are the texts of the Secretary's news conference held in Paris and the North Atlantic Council final communiqué.

NEWS CONFERENCE, JUNE 8, 1983¹

Q. Could you say what the importance of this NATO meeting is and what we can expect from it?

A. This is one of a series of very important meetings starting with the OECD [Organization for Economic Cooperation and Development] meeting in Paris, a month or so ago, the Williamsburg summit, the NATO Defense Ministers' meeting last week, and now this meeting, which, significantly, takes place in Paris. These meetings, on the one hand, bring together a varying but, nevertheless, consistent group of countries—the industrial democracies of the world—in various settings, and we see these meetings taking place

against the background of problems and challenges to the industrial democracies. At the same time, the basis for increasing confidence is that we are meeting these problems and challenges successfully.

In the OECD meeting and at Williamsburg, of course, there was a concentration on economic issues, and we now see the beginnings of recovery in the free world economy, with much lower inflation than we've had at the start of past recoveries and good prospects for keeping inflation under control. That's a very good situation and, at the same time, there has been—and I felt this at the first NATO Foreign Ministers' meeting that I went to last October and then in December in Brussels and at successive meetings—a real sense of unity and cohesion and determination to identify and defend our values and to see the relationship of that goal to the kinds of things that are being done in NATO.

In particular, right now, of course, the focus is on both tracks of the dual-track 1979 NATO decision. We are moving into the time of 1983 when negotiations are going on intensively in Geneva. At the same time, it must be clear to

everybody that the decision made to deploy, unless there is a negotiating outcome, is a very firm decision. So, all of these things are coming together in this set of meetings. This is the fourth one in the series, and it's a meeting of extraordinary importance as we try to bring these things together. It should give us renewed confidence as a free people in free countries, recognizing, with candor, the problems that we have and struggling with them and gradually finding solutions or ways of coping with a greater and greater success with these problems.

Q. Isn't there some danger that with all these meetings you may run out of things to say with each other?

A. This is a time when it's very important to stay glued together. We've had an intensive process of consultation. I've focused on these four meetings. There are innumerable other contacts by cable, letter, and by individuals traveling around—Europeans, Japanese, and Americans, people from Washington and various capitals—and I think that the intense and continuing consultative patterns that have been established are good. It may be that we don't have something brand new and fresh to say, but at the same time, it's important to keep reaffirming the track we're on. And even as the weeks and months go by, there are developments that need to be assessed, and we'll do it.

Q. You said that this meeting "significantly" takes place in Paris. Could you go into that significance, of the French invitation and of Paris as a place for the meeting?

A. You have identified properly why I made that comment, and it simply signifies the cohesion of Europe with the United States in the sense that NATO and the North Atlantic alliance having recognized the distinctiveness of each country and the distinctiveness of France and, I might say, the United States. One of the magic qualities of our cohesion these days is the fact that every country is insistently sovereign and independent but, nevertheless, on that basis, people are talking together, working together and, within that framework, cooperating effectively. It's that balance of insistent sovereignty with a sense of cohesion and collaboration that, perhaps, especially underlines the importance of this setting and the ability to do that.

Q. Re Nicaragua: Why was the decision made to respond to the expulsion of three American diplomats so severe? If that leads to a break in diplomatic relations, would you consider that a negative consequence?

A. We don't have any thoughts of breaking diplomatic relations. Senator Stone [Richard B. Stone, Ambassador-at-Large and special representative of the President to Central America] has Nicaragua on his itinerary. We expect to see that continue; that's our intent as we seek a regional solution to the problem of Central America, a peaceful solution, a solution that will yield economic development and progress toward democratic institutions in the area. That is our objective, an objective that can hardly be served when you have the kind of military buildup that's been taking place. Now as far as the actions taken are concerned, there was no justification whatever for the expulsion of the three American diplomats and, under the circumstances, it seemed to us that it was important to express our reaction to that, and we did nothing about people in the Embassy in Washington but simply, basically close the Consulates scattered around the country.

Q. You said it is the U.S. intent for Ambassador Stone to be in Nicaragua on Friday. Do you expect him to be received officially?

A. We expect he will be. The point is that we seek a regional peaceful solution to the problem. The President has named an outstanding American, with great talent and knowledge of the area. He is now going around in a listening pattern trying to help people compose the differences. That is unambiguously a good thing, and I should hope that Nicaragua responds to it, and I expect that they will.

Q. How would you assess the state of the Warsaw Pact and the COMECON [Council for Mutual Economic Assistance] countries after the change of leadership in the Soviet Union?

A. I hesitate because I much prefer to talk about the United States and the alliance and what we are doing and then look for outcomes that may be different from the past based on things—on behavior and changes that take place that you can identify in terms of substantive result. As of now, we don't see any substantive result. On the other hand, as you point out, there is new leadership, and that always tends to make you, and should reinvigorate your

efforts to, probe and test and to see if a different pattern can be brought out. It remains to be seen. But as in the case of my response to questions about Nicaragua, the U.S. position, and I'm sure the position of our allies, is that we are determined; we are going to be strong; we are going to defend our values; and, at the same time, we are always ready to work for constructive solutions to problems if those can be obtained. They are substantive and reasonable and not just rhetorical. We just have to wait and see but be ready to work with the other side as the substantive opportunities arise.

Q. Would you comment on our policies with respect to Greece and Turkey? Will we get Greece to agree to the 7-10 ratio on arms sales? Will we get Greece to sign a base agreement?

A. First of all, Greece and Turkey are both our allies. They both are friends. We want to keep it that way, and we like our friends to be friends. That isn't always the case, but anything that can happen and encourages that trend, we are for it. The base negotiations are ongoing and at an intense stage right now, and we want to see a constructive outcome. I'll just leave it at that rather than comment on what's going on in a particular negotiation.

In terms of U.S. support levels, we have proposals to the Congress, and there is gradual action taking place in terms of the 1983 supplemental and the 1984 authorization and appropriation bills that are working their way along. I don't think that we want to find ourselves pinned down to some sort of formula approach to any of these things and really can't do it even if we want to, given the nature of the authorization and appropriation process. But, certainly, we want to deal with each country in an equitable and helpful way.

Q. Will East-West trade be a major part of the NATO agenda?

A. It will certainly be part of the agenda. It's an important subject. Last December, when this group met, there was a great deal of sentiment for having a broad study, kind of an umbrella study, of East-West economic relations, take place within the NATO framework. As I went around Europe and discussed that, it seemed to jell. It was the position favored by President Mitterrand as well—discovered when I came to Paris—and so the NATO economic committee undertook a study. We think it is a good study, and I'm sure that study will be discussed, as it should be, not on-

ly in this NATO meeting but as a continuing matter as we find ourselves more and more with a broad sense of generality of views on the importance of, at least, certain aspects of East-West economic relations. So, I expect that will be an important topic of discussion.

Q. Could you bring us up to date on the Middle East, particularly General Walters' [Ambassador at Large Vernon Walters] visit last week?

A. We are seeking to explain and to develop support for the idea of withdrawal of all foreign forces from Lebanon, and General Walters made a trip around in that regard, and I'm not going to comment on particulars of what he said or somebody said to him in the places he visited, but he certainly got a cordial reception as he always does, and people listened. I think it was an effective thing to do. The Lebanese have been putting on a strenuous effort to go round the various capitals—particularly Arab capitals, but also others, including Europe—and particularly the countries of all of us who are contributing to the multinational force, and similarly wanting to develop support for a withdrawal of all foreign forces. Right now what that means is Syrian and PLO forces, since the Israelis, have agreed to withdraw. We are supporting that idea, and it's very important to bring that about.

Beyond the problems in Lebanon, are the basic difficulties of the peace process itself, and it is apparent to everyone—certainly it is apparent to the Lebanese—that it is critical for them in the long run to find some kind of solution to the problems of the Palestinians and a way of serving the rights and aspirations of the Palestinian people. The President's September 1 START [strategic arms reduction talks] proposals addressed themselves to that objective; those remain important proposals. I found, in my trip to the Middle East, that they are very much alive in the minds of the leaders with whom I spoke. It is clear, also, that the key is finding some way to have legitimized, from many points of view, Palestinian participation in talks with Israel about that and related Israeli security issues. We continue to pursue that, and it leads you inevitably to scratch your head in the light of all of the developments around, to scratch your head more and more about the human beings called Palestinians, and ask yourself what is being done and what can be done to make life better for them and perhaps,

in a way, this is the sort of thing that will improve that process.

Q. There are reports this morning that the PLO was planning to bring its troops back into the Bekaa from Tunisia, Yemen, and elsewhere. Can you comment on those reports?

A. I don't want to comment on any particular report, but any development that puts more foreign forces into Lebanon than were there at the time of cessation of the main hostilities is unwelcome. We are trying to move in the other direction. It only adds to the tensions in the area, and those tensions always have the potential of leading to an outbreak of major hostilities. We don't want to see that; I don't think the Syrians want to see that, from all I know; I'm sure the Israelis don't want to see that; and we don't want to see that. It's very undesirable to have additional forces going into the Bekaa.

Q. The Administration supported the idea of a Bulgarian-Soviet plot. Now that position has changed. Why?

A. I really don't have any comment on it, but you go ahead and ask your question. This is a matter that is under investigation by the authorities of Italy and we support their investigation and await its outcome.

Q. Do you see a role for Spain as a mediator in Central America?

A. The Spanish, of course, have a very special relationship to Latin America, particularly the Spanish-speaking countries—but to all countries in Latin America—and constructive efforts by anyone are always welcome. There are lots of mediators around now, and I'm sure that—I won't try to speak for somebody else—we welcome the efforts of the Contadora four who are working with the situation. I believe that the efforts that Senator Stone is making on behalf of the President are also seen as constructive in the region. Somehow it is worthwhile to help the frontline of this mediation effort to work and, probably, Mr. Gonzales has that in mind. I'm sure he'll have constructive things to contribute on this score. I had a discussion with him last December; we touched on this matter, but he was just new in office and didn't develop his thoughts too extensively. He'll be in Washington shortly, and we'll have a chance to review it with him then.

Q. Back to Europe: Britain and France don't want to be included in the INF [intermediate-range nuclear forces] talks. What is the position of the Administration?

A. Our feeling—and the feeling of Britain, France, and all our allies—is that these are national forces, and they don't have a role in the Geneva talks, so they are not there. That was stated once more in the Williamsburg security and peace statement.

Q. You talked about waiting to see if the Soviets will be conciliatory. Do you think there is any chance of movement before a high-level meeting—you and Gromyko or Andropov and the President?

A. On certain things, it depends on the subject. Certainly, it's reasonable to expect that the capable negotiators that both sides have in these various negotiations will be able to make progress if the national governments involved want to see that happen. The U.S. Government and, I think, those of our allies, wants to see it happen. So there is no reason why competent negotiators can't get somewhere. I hope that a strong and significant conclusion can be brought out of the CSCE [Conference for Security and Cooperation in Europe] meetings in Madrid from the standpoint of the Western side. We have unity and purpose there, and we have outstanding representation in the various delegations. And from the U.S. standpoint, Max Kampelman is doing a terrific job. So there is no reason why you couldn't have an outcome there.

Q. The President is supposed to announce new START proposals today. Could you give us a preview? Can you envisage START and INF being grouped into one negotiation?

A. I think they are separate. What we have said is that we are prepared to keep negotiating and working for the ultimate goal of the elimination of all of these weapons and for as low a level as possible of equal and verifiable deployments. If the elimination goal is not reached right away, and in the event of the start of deployment, at least from our standpoint, we are prepared to continue the negotiations, and I don't see there is any implication there of merging the negotiations. We probably would just keep it the way it's going now.

Q. Do you see an evolution in the relationship between the alliance and Japan on the basis of the Williamsburg declaration?

A. I don't think that anybody is trying to work toward a formal alliance. There is a relationship between major industrial democracies, and there is a common concern, born out of security interests on the one hand and economic

linkages on the other. That was well illustrated by both statements that came out of Williamsburg. The way in which that is working now is perfectly satisfactory. There is a lot of interaction between ourselves and the Japanese—diplomatic work—and of course, direct relationship on security concerns and between Japan and Europe as well.

Q. The paragraph in the statement on security re "indivisibility." What was that addressing?

A. It was a broad statement of conception, and, at the same time, was an affirmation of the position that has been taken by ourselves as a spokesman for everyone in the INF negotiations that among the principles that have been put forward there, by Ambassador Nitze, [Paul H. Nitze, head of the U.S. delegation to the INF talks] and the President, stated as guiding principles, one is a global approach.

Q. An apparent contradiction: If there is no INF agreement and deployment goes ahead, you accept inequality. But in the negotiations, you seek equality.

A. What has happened since the decision was taken to proceed with a double-track decision, is that the Soviet Union has continued a relentless and extensive deployment process. From our standpoint, the thing for us to do is to proceed with planned deployments if the negotiations don't indicate some other outcome, and then we'll have to appraise the situation as we go along. But, of course, what we want to see happen is that as the Soviet Union deepens its appreciation of the resolve and the cohesion and the unity of the alliance, it will decide that it's better to have a negotiated outcome, either before or after deployment starts. So the principle of equality obtained, we don't have it now; that's the reason deployments are so needed, the Soviet Union has a monopoly of these weapons and seeks to maintain it, and we don't accept that.

Q. Are we willing to accept inequality at higher levels?

A. We don't appreciate inequality at any level, and we want to see levels kept down. So we think the right way to approach things right now is to proceed with the deployments that are planned unless negotiations yield a result for some other pattern of deployment. We believe that the best pattern and the best level of equality is at zero; we continue to believe that, and we'll continue

working for it. It leaves you right where you were when you started the question. [Laughter]

Q. There seems to be a widespread feeling in Europe that it isn't fair for the United States to seek equal levels with the Soviet Union when the Soviets have to face French, British, and Chinese weapons as well. Is the United States prepared to take this into account?

A. It is a commentary on people's mentality that there emerges into thinking that the Soviet Union has to be more heavily armed than all the rest of the world combined. That's not an acceptable way to think about it, and from our standpoint, we take the position and we'll maintain the position that in this strategic area we have to think about the Soviet systems and the systems of the United States and seek a balanced outcome—an equal outcome to the relationship between those forces.

Q. What happens if the allies don't show cohesion?

A. They are showing cohesion and have demonstrated that time and again. It is interesting, as you review the history of the alliance, that periodically it rises to a crescendo, but it is always there—a sense of a lack of cohesion and so on—and yet here we are, what is it, 35 years later. The statements and the actions and the ability to adapt to the evolution of circumstances remain strong. It seems to me the basic reason must be that the values that unite us are preeminent, and, in the end, are the things which tie us together and will continue to do so.

Q. With [French] President Mitterrand having signed the Williamsburg agreement and with the NATO meeting being held in Paris, do you see a chance in the French attitude toward the alliance from that of the previous government?

A. I see the French Government as being very strong minded, independent, conscious of its sovereignty and, fundamentally, very supportive of the security concerns of the alliance. That has been evident to me in every meeting that I have held with President Mitterrand. It was evident in Williamsburg, and it is evident in the behavior of what the French are doing. I'll just leave it at that.

Q. Is the United States talking to the British and French to get bargaining chips in the INF talks?

A. No. These are independent forces, and we've gone through that argument again and again.

Q. Is there any merit to this, in asking them in some way to join with the United States?

A. No. They are not part of it. They are not to be counted in these negotiations. They are not part of it, they don't want to be part of it, and that's where the situation rests.

Q. Does the Soviet Union possess strategic superiority in the world?

A. No. The question that was raised was different. It was: Should the Soviet—if I can rephrase the question—you were saying: Isn't it legitimate that the Soviet Union should be superior to any given country and think of itself as equal to all the rest of the world combined. I say: No. That's not a legitimate point of view at all. We don't accept that at all.

Q. Is it your impression that they have superiority? Would you trade U.S. armaments for theirs?

A. When you ask that kind of question, you have to put it in its broadest context. Armaments are one thing, and what stands behind the armaments has to go with it. I wouldn't trade our situation for theirs, even remotely, because a free system will yield the best results as we go along. Also, ultimately, in terms of human values and in terms of our determination and ability to defend ourselves.

You have to think of this as one big pot, in a way, and I don't have any doubt whatsoever of the superiority of Western values and abilities. Now insofar as particular elements of armaments are concerned, there is no doubt that, in some very important areas, there is a clear margin of Soviet superiority. One that has been focused on in the NATO dual-track decision is the Soviet monopoly of these highly destructive intermediate-range nuclear missiles, and if you . . . and there are various ways of establishing or counting elements of that picture, but there are important overall elements, throw-weight, perhaps, being the one that is most prominent, where there is a huge Soviet advantage. That isn't true across the board; I fully recognize that. But there are some very important elements of Soviet superiority which we seek to remedy. But, take overall, our system, their system, our military forces, their military forces and the impact of free people—I don't have any doubts about which side I want to be on.

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Q. What is your assessment of Soviet policy in the Middle East today?

A. I don't like to make comments about their intentions and what they are trying to do, because we can all speculate about it. And unless you have a seat around the table in the Kremlin, you don't know for sure. All I can say about it is that, first, they have installed powerful and more far-reaching weapons in Syria than were there before; second, their own forces are manning those weapons; and third, in terms of their public statements, they have denounced and opposed the agreement between Lebanon and Israel for the security of the southern part of Lebanon and the withdrawal of Israeli forces. I don't consider any one of those three things to be constructive contributions toward stability and peace in the Middle East.

Q. Why are you meeting here with Giscard? Do you plan to meet with other opposition leaders?

A. It is not so much a question of opposition leaders. Valéry Giscard d'Estaing is a friend of mine for many years standing. I have gone to see him when I've come to Paris, when he's been in town, many times; we have visited together elsewhere; he is just a very good friend and a person with whom I enjoy talking.

Q. What is the significance of the Soviet proposal for a nuclear freeze zone in Western Europe?

A. It's always interesting when the suggestion is made that other people be nuclear free but not themselves. I can't help but wonder what that suggests about their attitude toward Soviet submarines in the waters of other countries. Is this a *mea culpa*, or what is it? I don't see it as a particularly forthcoming proposition.

Q. The feeling here is that President Mitterrand got trapped into signing the Williamsburg declaration and that the United States is pushing the socialist government into a corner. What about this, given the presence of communists in the French Government?

A. I would have to say that I admire the positions that President Mitterrand has taken on this general field and point out to you that there may be communists in the French Government, but there are communists from the Soviet Union who used to reside in France who aren't here any more, and that's a decision the French Government made. I ap-

plaud the decision, purely the French Government's decision. I'm sure that whatever President Mitterrand does he will do as a sovereign and independent Head of State. That's always been the case and that is, I may say, always the case with France. But as far as all of your questions on the internal political arrangements in France are concerned, I pass on that; that's France's internal affair.

Q. On East-West trade, one has the impression that the Export Administration Act is unraveling and that there was a lot of pressure on the United States in Williamsburg. What is the Administration seeking on restricting trade with the East? What do you expect from Congress on this?

A. As far as the legislation is concerned, and the legislative situation, there are different versions, and neither is precisely what the Administration proposed. That's fairly typical of the way legislation takes place in the United States; everybody doesn't agree, as you know. There is a struggle about that, and our friends and allies have made it clear—long before Williamsburg, but at Williamsburg—that there are aspects of the Administration's position, along the lines that you mentioned, that they don't like. So we know that.

I might say that my lawyers have taught me not to say "extraterritoriality" any more; that's, in part, because it is replaced as the current jawbreaker. We refer to it as conflict of jurisdiction, and that point can be brought out very clearly if you take a hypothetical case. The U.S. firm that has developed a process of some kind and licenses that process to a firm in another country on the written and clear understanding that if U.S. exports control policy is applied to that category of technology, then those controls will carry over to the other country. Now some people say that's bad, that's extraterritorial reach. The other side of the argument is that there is nothing wrong with it; that's what has been laid out in the contract; it was an understanding undertaken, clearly, and, at best, it is a conflict of jurisdiction as to who is going to have something to say about that. There is a legitimate legal and conceptual issue here that is a deep and difficult issue.

We have embarked on some extensive discussions of this issue in which I've asked Ken Dam—who doubles as a lawyer, and a very good one—the Deputy Secretary of State, to participate. He's been working with the Deputy Attorney General, Ed Schmultz, and we

have been conferring with the Canadians, the British, and others. They've delved into this issue at some depth and length conceptually and in terms of statute. In terms of what we seek in this area, it is broadly two things: These things have been reflected in the discussions we have had, and there is a general view that there has been a lot of technology transfer to the Soviet Union in one way or another over the past years which has helped them militarily considerably—that is not a smart thing for us to do; we should get control of it; and we are trying hard to get control of it. There is a general view that that is the thing to do.

Beyond that, we don't see any reason why—given the fact that the mass of armaments that we have undertaken are provided by the development of armaments on the Soviet side—why it makes any sense for us, as a group of nations, to have trade with them on other than a market basis. So these are basically the things that we seek; it's not a trade war, it is that kind of control. Now as far as legislation is concerned in the United States, for the government to exercise control on exports of any kind, there has to be a statutory basis for it; otherwise, a firm is free to make sales as it chooses, and we, therefore, seek statutory authority to do that.

Q. Can you tell us something about interest rates and the prices of the dollar?

A. Something about the interest rates and the price of the dollar. The interest rates are higher than the President wants. We would like to see them lower, nominal interest rates and real interest rates. The price of the dollar is basically governed by market forces and, at least, as I see it, there are three elements to that market: One is what is happening in the field of trade, which, taken by itself, would suggest a lower value for the dollar. Another is developments in the field of capital flows, partly, flows that are oriented to interest rates but also to a major extent, in my opinion, flows that are oriented to a kind of safe-haven objective; it is the size of the capital flows that has produced the strong dollar and from the standpoint of the U.S. exporting community, they don't like it. To some extent they scratch their heads at the ways the Europeans and others are complaining about it, because if the dollar were to be a lot lower in value, American goods would be a lot more competitive, particularly in third markets. That's kind of roundabout, but

the value of the dollar represents the market's evaluation of it and is reflecting, as it must, the flows of money which are made up of these different components.

As far as interest rates are concerned, it is fair to say that as we are successful in reducing the rate of inflation in the United States and as the conviction grows that the rate of inflation will stay more or less under control, then we'll see interest rates continue their decline. The decline has been quite dramatic over the last 2 years. Of the years of the Reagan Administration, in short-term rates it has been significant but not as dramatic in long-term rates. When the President took office the short-term rates were about 20%. Now, in 3-month treasuries, 8½% or something like that, so that's a big drop. The long-term rates have not come down as much. It isn't quite right to say that means that the long-term real rate of interest is high in the United States. It is more correct to say that the level of the long-term interest rates represents a market hesitation to judge inflation as being under control, let's say 5 or 10 years from now. The fact that the long-term interest rates have been coming down represents an emergence of more and more credibility. The inflation may be under control, but people in the markets have been burned so much over the last 10 or 15 years that there is a lot of skepticism. That is one of the reasons the President is as determined to do something about not so much the near-term deficits in our budget, but the out-year deficits in our budgets.

FINAL COMMUNIQUE, JUNE 10, 1983

The North Atlantic Council met in Ministerial Session in Paris on 9th and 10th June, 1983. Ministers reaffirmed that their supreme objective is the maintenance of peace in freedom. A stable military balance is essential to this objective.

The countries of the Alliance are determined to ensure through negotiations that this balance will be established at the lowest possible level. They are equally determined to assure their security and their independence. They will defend the liberty and the justice on which their democracies are founded.

They have put forward a broad set of arms control and disarmament initiatives on:

- strategic arms reductions (START)
- intermediate range nuclear forces (INF)
- Mutual and Balanced Force Reductions (MBFR)

- a Conference on Confidence- and Security-Building Measures and Disarmament in Europe (CDE)
- a total ban on chemical weapons.

They call up the Soviet Union to demonstrate by its deeds an equal resolution to achieve concrete results in these negotiations.

As regards intermediate range nuclear forces, the Ministers affirmed the importance of the double-track decision taken on 12th December, 1979, by the countries concerned. They hope that, in the near future, a verifiable agreement providing for United States and Soviet equality can be reached in Geneva. If concrete results through negotiations cannot be reached, deployments as planned will begin as already decided in December 1979.²

1. Recognising that the cohesion and strength of the Alliance is of paramount importance for the preservation of peace and improved international relations, Ministers agreed as follows:

The Programme for Peace in Freedom adopted in the Bonn Summit Declaration of 10th June, 1982, emphasises the Alliance's resolve to deter aggression by means of a strong defence and to develop through co-operation and dialogue, a constructive East-West relationship aimed at genuine détente. This balanced policy will continue to serve peace and uphold the independence and democratic values of the free peoples of the Alliance.

The Alliance remains a fundamental forum for close and regular consultation on matters of common concern and permits member states to adjust their aims and interests through free exchanges of views.

The maintenance of adequate defences by the Allied countries threatens no one. In Article 1 of the North Atlantic Treaty the members of the Alliance reaffirmed the undertaking to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations. This solemn obligation was restated in the Helsinki Final Act signed by thirty-five countries and will always be fully honoured by the members of the Alliance. Each and every sovereign member of the Alliance is a guarantor that none of their weapons will be used except in response to attack.

2. The Allies view with concern the sustained increase in Soviet military strength in Europe and capability for military action world-wide, which far exceed defence needs. The Soviet Union maintains its build-up of conventional arms, chemical weapons, naval forces, nuclear forces, and in particular the deployment of SS-20 intermediate range nuclear missiles. Faced with this threatening situation, the Allies are resolved to ensure that conditions never exist which could tempt the Soviet Union to exploit its military power against any of the Allies. They are determined to meet the legitimate security requirements for the entire North Atlantic Treaty area. A sufficient level of both conventional and nuclear forces remains

necessary for the credibility of deterrence. The security and sovereignty of the European members of the Alliance remain guaranteed by their own defences, by the presence of North American forces on European territory and by the United States strategic nuclear commitment to Europe. The United States and Canada likewise depend for their own security upon the contribution of the European partners to the defence of the Alliance.

3. The Allies have reviewed the trends of Soviet policies which bear upon Western interests. They are resolved to maintain a firm, realistic and constructive attitude and agree that it is important to maintain a dialogue, not least in periods of tension.

The Allies stress that respect for the obligation not to use force is mandatory and applicable between all states without exception. The reaffirmation of this obligation, contained in the United Nations Charter and the Helsinki Final Act, cannot substitute for deeds. The Allies therefore call on the Soviet Union for a complete end to the use of force in Afghanistan and the threat of use of force, as in the case of Poland. The exercise of restraint and responsibility by the Soviet Union is essential for the constructive relations which the Allies wish to establish with it. Such relations with the Soviet Union are possible on the full range of East-West issues.

The Allies look to the Soviet Union to contribute to the achievement of tangible results in the negotiations on arms control, disarmament and confidence-building measures, since this would enhance the credibility of the principle of non-use of force. They would welcome any serious proposals to improve confidence and cooperation between East and West.

4. The Allies deplore the continuing violation by the Polish authorities of the commitments undertaken by Poland in the Helsinki Final Act. They look to those authorities to honour the wish of the Polish people for national reconciliation, the release of political prisoners and the establishment of civil rights, including the right of the workers to have trade unions of their own choice. This would enhance Poland to overcome its crisis. More normal trade and economic co-operation with Poland, for which the Allies wish, could be effective if progress were made towards national reconciliation without which there can be no genuine economic and social recovery. The Allies urge the Soviet Union to cease its pressure on Poland so as not to impede the efforts of the Polish people for national renewal and reform.

5. The Soviet Union's actions in Afghanistan also pose a major obstacle to the normal development of international relations. Intensified Soviet aggression there continues to meet with the determined resistance of the Afghan people. The mounting toll of civilian casualties and destruction emphasises the urgency of a political solution based on the verifiable application of the resolutions of the United Nations General Assembly which called for the immediate withdrawal of Soviet

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forces, the restoration of Afghanistan's independence, sovereignty and non-aligned status, the right of the Afghan people to self-determination, and the voluntary return of refugees.

6. Defence and arms control are integral parts of the security policy of the Alliance. In pursuit of this policy the Allies have submitted a comprehensive series of proposals designed to lead to equitable, verifiable and militarily significant agreements for major reductions to a stable balance of forces at the lowest possible levels.

7. In this spirit, the Allies concerned underline the continued importance of the decision of 12th December, 1979, which combined the modernization of United States longer range INF (LRINF) with a parallel offer of negotiations and the unilateral withdrawal from Europe of a thousand United States nuclear warheads; which was completed in 1980. Since that decision was taken, the Soviet Union has relentlessly continued its deployment of modern SS-20 missiles, greatly expanding its monopoly in this class of weapons which has created an entirely new threat for Europe. Ignoring the concerns of countries threatened by these systems, the Soviet Union is, at the same time, resisting achievement of an equitable negotiated solution. The Soviet approach would undermine the vital link between the defence of Europe and the American strategic deterrent. Present Soviet proposals would include third country national deterrent forces which have no place in the negotiations and leave the Soviets with more SS-20 missiles than when the negotiations began, deny the right to modernise the deterrent to this threat, leave unrestrained large Soviet SS-20 forces in the Eastern USSR which threaten Europe as well as Asia, and remove from Europe aircraft of the United States which are essential to conventional defence.

The Allies concerned reaffirm that in the absence of concrete negotiating results which obviate deployments, deployments will begin at the end of 1983, in accordance with the schedule established in the decision of 1979. At the same time these Allies remain fully committed to reaching a successful outcome in the INF negotiations, which they continue to monitor and evaluate closely. They will support continued negotiations even after initial deployments. These Allies will examine NATO's LRINF requirements when concrete results are achieved in the negotiations, and will make appropriate adjustments in the levels of deployments already decided in 1979. They fully support the efforts of the United States, in close consultation with them, to achieve progress in Geneva. These Allies strongly prefer the elimination of all United States and Soviet LRINF missiles, as proposed by the United States. They welcome and support as a further effort to achieve progress toward that end the United States proposal for an interim agreement which would result in equal global ceilings on warheads on United States and Soviet land-based LRINF missile systems at the lowest

possible level. This proposal which establishes a flexible framework for negotiations was developed through close consultation among the Allies concerned. They call on the Soviet Union to contribute constructively to a successful outcome of the negotiations which addresses the legitimate security concerns of both sides and welcome current United States efforts to that end. They strongly hope a balanced agreement will be rapidly reached.³

8. Allies expressed their full support for the effort of the United States to negotiate reductions in United States and Soviet strategic arms, and to secure an agreement which will enhance strategic stability. They welcome new steps being taken by the United States to promote progress in the START negotiations, and called upon the Soviet Union to respond in a similarly positive spirit.

9. The Allies participating in the Mutual and Balanced Force Reductions (MBFR) talks attach great importance to achieving progress. They consider that the comprehensive approach embodied in their draft Treaty text of July 1982 provides the basis of an accord which would lead to parity at the agreed collective ceilings for combined ground and air force manpower in Central Europe through substantial staged reductions. This major initiative met what had been represented by the East as a fundamental requirement. It also proposed a well defined and practical programme for implementing an agreement with the East. Western participants hope that the East will respond in a more constructive way and recognise that, in order to contribute to stability and security in Europe, an MBFR agreement must provide for reductions and limitations based on agreed data and for effective Associated Measures on verification and confidence-building.

10. In the Committee on Disarmament the Allies seek disarmament measures which are balanced, realistic and verifiable, and which would maintain or enhance global security. In particular, they are working for an agreement on the prohibition of the development, production and stockpiling of chemical weapons and on the destruction of all existing stocks as well as the means of production. The Allies call upon the Soviet Union to co-operate in developing effective inspection and verification measures leading to agreements for the elimination of this entire category of weapons.

The Allies remain gravely concerned about strong evidence of continued use of chemical weapons in South East Asia and Afghanistan in violation of international law and of Soviet involvement in the use of such weapons.⁴ They welcome procedures being developed by the United Nations to investigate allegations of the use of chemical weapons.

11. The Allies are continuing their efforts at the Madrid CSCE Follow-up meeting to arrive at a substantial and balanced concluding document, including a precise negotiating mandate for the Conference on Confidence and Security Building Measures

and Disarmament in Europe. They consider that, as a result of the latest proposal by the neutral and non-aligned states, an agreement is now within reach which could permit a successful and early conclusion.

The Allies have already stated their willingness to accept the draft concluding document submitted by the neutral and non-aligned states, subject to limited and reasonable amendments favourably received by other participants and designed to enhance the balance of the agreement. The Allies therefore urge the Soviet Union to change its attitude and negotiate a solution of the few remaining issues. This would demonstrate that the Soviet Union shares the interest shown by other participating countries in a successful outcome to the Madrid meeting which will consolidate the CSCE process. The Allies are convinced that a substantial and balanced concluding document, together with renewed efforts to give full effect to the Final Act through concrete action, would be of particular importance for developing a more constructive East-West relationship.

The Allies emphasise the importance, in the present circumstances, not only of a reaffirmation of the 1975 Helsinki commitments as a whole, but also of an expression of the determination of the thirty-five signatory states to carry them out. They reaffirm, too, the importance they attach to the convening of a Conference which, as an integral part of the CSCE process, would have as its purpose the adoption of verifiable, militarily significant and binding provisions applicable to the whole of Europe. The Allies also remain committed to further progress in the important humanitarian aspects of East-West relations.

12. The Allies support confidence-building measures designed to promote greater openness about armed forces and military activities, overcome misapprehension and distrust and thus facilitate disarmament negotiations. The Allies recall that in 1982 the United Nations General Assembly reaffirmed the importance of confidence-building measures and invited all states to consider the introduction of such measures in their region. The Allies have taken a number of concrete initiatives in that direction. Proposals put forward by the Soviet Union, in contrast, are often declaratory. The United States government, in an effort to help develop a stable peace, has tabled a series of confidence-building measures in the START and INF negotiations and has suggested new proposals in the nuclear field and in mutual communications between the United States and the Soviet Union. The Allies will, in the context of the Conference on Disarmament in Europe, put forward concrete proposals for a new generation of confidence and security building measures in Europe. The Allies will continue their efforts to build confidence through improved verification procedures, the provision of clear and comparable data on defence spending and other steps likely to remove misconceptions. They urge the Soviet Union to join them in this endeavour.

13. The maintenance of a calm situation in and around Berlin and the strict observance and full implementation of the Quadripartite Agreement of 3rd September, 1971, including unimpeded traffic on the access routes, remain of fundamental importance for East-West relations.

Recalling their Rome statement of 5th May, 1981, the Allies express the hope that the efforts of the Federal Republic of Germany towards further practical progress in inner-German relations and towards improvements for travel in both directions will bring direct benefits for Berlin and the German people in both states.

14. The Allies reiterate their abhorrence and condemnation of recurring terrorist acts which menace democratic institutions as well as the conduct of international relations. The Allies reaffirm their determination to pursue all necessary efforts to combat and suppress crimes of terrorism.

15. The Ministers note that since their last meeting several aspects of East-West economic relations have been studied including the security implications of these relations. Trade conducted on the basis of commercially sound terms and mutual advantage, that avoids preferential treatment of the Soviet Union, contributes to constructive East-West relations. At the same time, bilateral economic relations with the Soviet Union and the countries of Eastern Europe must remain consistent with broad Allied security concerns. These include avoiding dependence on the Soviet Union, or contributing to Soviet military capabilities. Thus, development of Western energy resources should be encouraged. In order to avoid further use by the Soviet Union of some forms of trade to enhance its military strength, the Allies will remain vigilant in their continuing review of the security aspects of East-West economic relations. This work will assist Allied governments in the conduct of their policies in this field.⁵

16. Sustained economic recovery in the West is essential since the strength and security of the member countries rest upon social stability and progress as well as upon defence preparedness. In accordance with Article 2 of the North Atlantic Treaty the Allies will seek to eliminate conflict in their international economic policies and will encourage economic collaboration among them. The Allies reaffirm the importance of this commitment and of support from programmes which are intended to benefit the economies of less favoured partners.

17. The Allies will continue to work for the further development of peaceful and friendly international relations and will promote conditions of stability and well-being. The aid which they give bilaterally and multilaterally is an important contribution to this end. Countries in the Third World should have the freedom to develop politically, economically and socially without outside interference. The Allies urge respect for sovereignty and genuine non-alignment.

The Allies recognise that events outside the Treaty area may affect their common interests as members of the Alliance. If it is established that their common interests are involved, they will engage in timely consultations. Sufficient military capabilities must be assured in the Treaty area to maintain an adequate defence posture. Individual member governments who are in a position to do so will endeavour to support, at their request, sovereign nations whose security and independence are threatened. Those Allies in a position to facilitate the deployment of forces outside the Treaty area may do so on the basis of national decision.

The Spanish Minister of Foreign Affairs informed the North Atlantic Council of the present state of the review that the Spanish Government has undertaken regarding its participation in the Alliance, pending which he reserved his government's position on the present Communiqué.

At the same time, however, the Spanish Minister expressed that his Government shares in the Communiqué in so far as it reflects positions already expressed by Spain in her relations with the member countries of the Alliance.

The Danish Minister of Foreign Affairs repeated Danish Government support for the double-track decision but at the same time he presented to his colleagues the motion passed by the Folketing on 26th May.

¹Press release 212 of June 14, 1983.

²Greece reserves its position on this paragraph (footnote in original text).

³Greece reserves its position on paragraph 7 (footnote in original text).

⁴Greece recalls its position as it has been expressed during the previous Ministerial Session (footnote in original text).

⁵Greece recalled its position on various aspects of this paragraph (footnote in original text). ■

Unacceptable Intervention: Soviet Active Measures

by Lawrence S. Eagleburger

The following article is reprinted from NATO Review, Volume 31, No. 1, 1983. Ambassador Eagleburger is Under Secretary for Political Affairs.

In recent times, the Soviet term "active measures" (*aktivnyye meropriyatiya*) has caught the public's attention. The phrase describes a range of deceptive techniques—such as front groups, disinformation, forgeries, press manipulations, and agents of influence—which are used routinely in the Soviet Union's conduct of foreign relations. No phrase in English conveys precisely the meaning of "active measures." Perhaps World War II psychological warfare operations provide the closest parallel.

Active measures are used against virtually all countries outside the Soviet bloc, although communist countries such as North Korea and China are targets, as well as members of NATO. A sampling from the recent public record shows the variety of such activities:

- A Soviet Ambassador expelled from New Zealand in 1980 after he was caught handing money to the local Moscow-line Communist Party;

- A French author and journalist convicted for acting as a Soviet agent of influence for almost 20 years;

- A large-scale media disinformation effort to undermine U.S.-sponsored efforts to solve the Namibia conflict;

- The exposure of more than a dozen forgeries, mostly fabricated U.S. Government documents or letters, during 1982;

- A media campaign involving covertly planted stories and forgeries falsely accusing the United States of supporting the November 1981 coup attempt in the Seychelles; and

- Radio stations pretending to speak for opposition political factions in China and Iran but broadcasting from unacknowledged locations within the U.S.S.R.

Inside View

While this list of publicly exposed active measures can be expanded greatly, intelligence services throughout the world are aware of many more that have not been revealed to the public, either because this could compromise sensitive sources or because of political or diplomatic considerations.

Nor are active measures a new addition to the Soviet political repertoire. In the 1920s, Soviet political operatives infiltrated Russian emigré organizations in the West to set them squabbling among themselves. During the 1930s, Soviet agents manipulated front groups, skillfully camouflaging Moscow's hand until the Hitler-Stalin pact in August 1939. At the time, a veteran communist organizer working for the Comintern, Willi Munzenberg, spoke cynically of these fronts as "innocents' clubs." An early postwar Soviet disinformation campaign orchestrated false charges of U.S. use of "germ warfare" during the Korean war.

On occasion, we get a glimpse of active measures from the Soviet side. The defection of former KGB Major Stanislav Levchenko, who coordinated active measures in Japan from 1975 to 1979 while nominally a correspondent for *New Times*, and who for a while was Acting Chief of the KGB's active measures group in Japan, yields such an opportunity. Levchenko recalls in his recently released testimony before the U.S. Congress several successful forgery and disinformation operations. He states that during the 1970s, the KGB influenced Japanese politics through numerous agents of influence including a former cabinet minister, Members of Parliament, and prominent journalists. Levchenko estimated that the Tokyo KGB residency received several hundred active measures directives each year. Of these, according to Levchenko, it was able to implement successfully about one-third.

The exposure by Danish authorities of the clandestine relationship between the KGB and Arne Herloev Petersen, an author and journalist, provides another glimpse into active measures operations. In the summer of 1981, the Soviets arranged to cover Petersen's expenses for placing a series of advertisements in which Danish artists expressed support for a Nordic nuclear weapons-free zone. On one occasion, Petersen delivered to the North Korean Embassy foreign policy documents which were supplied by the Soviet Embassy and which, on instructions, he misrepresented as coming from an American source. In another typical disinformation ploy, Petersen published a pamphlet attacking British Prime Minister Margaret Thatcher, the text of the pamphlet having been supplied by the Soviet Embassy. As the Danish Government statement on the case noted, it was typical of these efforts to influence public debate that the Soviet origin of the opinions was concealed in order to preserve their effective-

ness. Vladimir Merkulov, a KGB officer serving as a Second Secretary at the Soviet Embassy in Copenhagen, was exposed as Petersen's clandestine contact and was expelled from Denmark in October 1981 for improper conduct.

Large Bureaucratic Structure

A large organizational structure in the U.S.S.R. sustains the active measures effort. The covert arm of active measures is Service A of the KGB's First Chief (Foreign Intelligence) Directorate. In the field, any KGB officer or intelligence asset may be used to implement active measures, and in the larger KGB residencies there are specialized groups, as in Tokyo, concerned with these covert operations. Active measures techniques are an integral part of the training of all KGB case officers.

In formulating these operations, Service A works closely with the International Department and the International Information Department of the Central Committee of the Communist Party. Other elements of the Soviet structure such as magazines, radio stations, and Aeroflot are all called upon as need arises.

The International Information Department supervises Soviet foreign propaganda activities and thus is crucial to active measures operations. For example, the Soviet propaganda machinery commonly redisseminates misleading and tendentious stories that were originally placed in foreign press outlets by KGB assets. The technique allows the Soviet propagandists to give extensive coverage to false stories which have the seeming legitimacy of having originated in a foreign—and ostensibly unbiased—press organ. Propaganda organs also support active measures operations by trumpeting the campaign themes of front groups. Publications such as *New Times* are in the forefront of the effort, as are Radio Moscow and the purportedly unofficial Radio Peace and Progress.

The International Department is responsible for liaison with foreign communist parties and communist front organizations. It persuades or commands communist parties abroad to undertake political and propaganda actions in support of particular active measures campaigns. Front groups such as the various Soviet friendship societies, the Afro-Asian People's Solidarity Organization, and the World Federation of Trade Unions are controlled by the International Department through Soviet counterpart organizations.

One front, the World Peace Council (WPC), was expelled from France and from Austria for activities directed against its hosts. Finally it succeeded in establishing a headquarters in Helsinki in 1957. For more than 30 years, WPC positions on international issues have invariably coincided with those of the Soviet Union: the WPC approved past Soviet military interventions in Hungary and Czechoslovakia as well as the Soviet invasion and occupation of Afghanistan. Support of Soviet aggression, however, has not prevented it from serving as the Soviet stalking-horse in a number of "peace" movements, ranging from the Stockholm appeal to "ban the bomb" in 1950 and the 1977 campaign against the "neutron bomb," to today's agitation against INF [intermediate-range nuclear force] modernization.

Since the bulk of the WPC's financing comes from Soviet sources, some noncommunist peace movement supporters, by accepting WPC cooperation in their activities, have been receiving indirect Soviet support. It is distressing that Moscow is able to take part in the West's public debate on the defense measures needed to offset the Soviet threat through use of a mechanism as transparent as the WPC.

Assessing Effect of Active Measures

How effective is the active measures effort? There is no simple answer. Not only is it impossible to run controlled experiments, but the deception inherent in active measures complicates an assessment. Moreover, active measures are not used independently, but in coordination with other elements of Soviet foreign policy such as diplomatic, commercial, informational, and military activities. The contribution of active measures to the end result is not easy to isolate.

Clearly, however, the Soviet leadership believes they are effective. The manpower and money required to construct and operate a worldwide active measures infrastructure of fronts and agents are substantial. We consider it probable that the Soviet campaign against the "neutron bomb"—which they regard as one of their most successful—cost some \$100 million. From the Soviet perspective, the money was well spent. The U.S.S.R. was able to distort the public debate on the topic and direct attention from the massive Soviet military buildup and the clear threat to European security posed by Warsaw Pact conventional forces—the threat

which enhanced radiation weapons can so effectively counter. But besides direct monetary costs, the Soviets also are willing to expend prestige and good will as their hand in some active measures operations inevitably is exposed. This indirect cost goes beyond immediate embarrassment; over the longer term, the U.S.S.R.'s use of deceptive and manipulative techniques increases disenchantment with the Soviet model.

While it is obvious that the Soviets believe the game is worth the candle, we should attempt our own independent evaluation. Active measures are not magic, nor does the world dance to a covert Soviet tune. Moscow does not dominate the political processes of the Western democracies. Nonetheless, the persistent Soviet attempts to influence our political agenda are not always without effect. This is especially true when Soviet active measures are designed to magnify and channel the sincere concerns of noncommunist critics of official Western government policies. Moreover, these efforts tend to exacerbate internal divisions in our societies, a long-standing Soviet goal.

In developing countries, the impact is greater. Their governments, often unstable, economically stressed and lacking tested political institutions, are more vulnerable to covert manipulation. Beyond the occasional contribution of active measures to the bringing to power of a government under Moscow's influence, these techniques tend to increase the insecurity of legitimate governments and distract their leaders' attention from their primary task—development. The tenuous state of free press institutions in many of these states and the plain fact that journalism in less developed countries is often an unremunerative profession provide favorable ground for Soviet manipulations.

Corrosive Effect on Open Political Systems

In both developed and developing countries, beyond the success, or lack of it, of particular operations, active measures have a corrosive effect on open political systems. The confusions produced by media manipulations, forgeries, calculated rumors, falsely attributed radio broadcasts, and the activities of agents of influence may, over time, weaken public confidence in political institutions and processes.

In view of the historical record and the substantial bureaucracy that supports these activities, we do not expect the Soviet active measures program to



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

Name SPECIAL PRESIDENTIAL WORKING GROUP
ON STRATEGIC ECONOMIC POLICY

SECRET

Date February 18, 1982

Recommendations of the Special Presidential Working Group on Strategic Economic Policy. Members and follows:

Department of Commerce

Malcolm Baldrige, Secretary of Commerce
Lionel H. Olmer, Under Secretary for
International Trade
Robert G. Dederick, Assistant Secretary
Raymond J. Waldman, Assistant Secretary
Thomas Collamore, Confidential Assistant
to the Secretary
Eugene K. Lawson, Deputy Assistant
Secretary

Central Intelligence Agency

Maurice Ernst, Director, Office of
Economic Research
Martin Kohn, Deputy Director, Office
of Economic Research

Department of State

Ernest B. Johnston, Deputy Assistant
Secretary
Nicholas Sr. Platt, Deputy Assistant
Secretary
Gordon L. Streab, Deputy Assistant
Secretary
William B. Milam, Director, Department
of International Finance and Development

Department of Treasury

Marc E. Beland, Assistant Secretary
William F. Escoube, Director, Office of
East-West Economic Policy

In order to carry out the strategic objectives of our foreign policy we view as desirable to submit for the approval of the President, the following concept of our economic policy:

Within the sanctions imposed upon the Soviet Union by the United States and consequently by our Western European Allies, we propose undertaking actions, whose objective would be the definite severance of the gas pipeline contract between the Soviet Union and some of our Western

Forged Secretary of Commerce memorandum, dated Feb. 18, 1982, recommending actions to sever the gas pipeline contract between the U.S.S.R. and several West European allies of the United States. The memorandum states that, among other advantages, this measure will weaken the economies of the European countries concerned and make them more dependent on the United States.

EUROPE

respond to variations in the international climate. They did not, for example, show a noticeable decline in the peak period of détente in the 1970s. Rather, the use of these offensive techniques, which seek to harm countries which the Soviets perceive as adversaries, is an indicator of underlying hostility. As such, active measures should remain a cause of concern to the alliance. Conversely, the cessation of these activities would remove a significant obstacle to improved relations.

Before addressing the question of how to counter Soviet active measures, it is useful to discuss an attitude that does not contribute, in the view of the U.S. Government, to a useful approach.

This is the "ho-hum" response to Soviet active measures usually presented in terms such as: "We all know that the Soviets engage in dirty tricks, so what is new? Why get excited?" The implication is that it is naive to concern oneself with such activities since they are an immutable, but trivial, element in the Soviets' international conduct.

This approach prejudices the question of the importance of Soviet active measures and, by discounting it in advance, works against a realistic appraisal. Active measures, by definition, involve deception, and their effectiveness and seriousness vary in time and place. Only careful examination can produce a balanced assessment. Belittling the problem impairs needed efforts to limit the effectiveness of Soviet active measures.

It is worth considering basic asymmetries in the situations of East and West with respect to active measures. The closely controlled Soviet political system offers little scope for covert manipulation. Agents of influence are not going to penetrate or disorient the structures of "democratic centralism." The controlled press of the U.S.S.R. offer limited opportunities for external influence. Western societies, on the other hand, are open to diverse political influences, including those deceptively introduced in the service of Soviet foreign policy. In Western countries, the use of most active measures techniques does not carry a criminal penalty for fear of imposing limits on legitimate political expression. Moreover, unlike the West, if a clandestine effort goes awry in the totalitarian society of the Soviet Union, there is no political opposition to take advantage of the rulers' embarrassment, and an obedient press will keep the failure off the public record. The answer to the "everybody does it" attitude is that active measures are a field in which

NATO SECRET

SUPREME HEADQUARTERS ALLIED POWERS EUROPE
GRAND QUARTIER GENERAL DES PUISSANCES ALLIEES EN EUROPE
BELGIUM

FORGERY

26 June 1979

His Excellency Joseph M.A.H. Luns
The Secretary General
North Atlantic Treaty Organization
Brussels/Zaventem Autoroute
B-1110 Brussels, Belgium



Dear Joseph,

Thank you for your letter of June 25 setting out certain results of our joint work which have had, I believe, a direct and lasting effect on the formulation and realization of the allied defense program. For my part, I highly appreciate your cooperation and hope that you are equally satisfied.

On leaving the post of Supreme Allied Commander in Europe, I feel it is my duty to stress once again certain aspects of allied strategy which demand our further attention and effort.

As you know, one of our presuppositions in nuclear planning is that, under certain circumstances likely to develop in Europe, we may be forced to make first use of nuclear weapons. This obviously requires that the allied nuclear deterrent should be strengthened and its links with major U.S. strategic systems tightened. Moreover, it is vital to speed up and finalize current projects for the limited use of U.S. nuclear forces in Europe and for other military measures at our disposal for a possible emergency. This strategy will be more realistic and effective if a decision on the modernization of allied tactical nuclear forces is taken.

With your help, a great deal of progress has been made recently toward strengthening the Alliance. Yet, in my view, planning for the deployment and use of modernized nuclear forces in Europe can be adequately accomplished only if full understanding and cooperation are achieved. It is therefore necessary to prepare, systematically and persistently, a basis for making a success of the NATO Council meeting in December, bearing in mind primarily the crisis inside the Alliance over neutron weapons deployment. Every effort should be made to counter any hesitation or vacillation among the allied nations during decision-making meetings.

Forged letter from departing NATO Commander Gen. Alexander M. Haig, Jr., to NATO Secretary General Joseph Luns, dated June 26, 1979. It was calculated to stimulate European opposition to intermediate-range nuclear force (INF) modernization by distorting NATO strategy and playing on European fears of a limited nuclear conflict in Europe.

democratic systems cannot effectively compete.

In democracies, certainly in the United States, all opinions, including the advocacy of positions that correspond with those of foreign adversaries, are fully and properly protected by law. Efforts to contain active measures interventions, except in cases of illegal acts committed on behalf of a foreign power, should focus on the foreign agents of deception, not on citizens who hold exotic opinions. Quite the contrary, we regard the free competition of ideas, whatever their origin, not only as a fundamental attraction of our societies but as the well spring of democratic vigor. The resort by the Soviet Union and its proxies to active measures is a tacit admission of weakness. It is because their ideology cannot stand on its merits that they rely so heavily on deception and psychological warfare in competition in the international arena.

Need for Persistent Response

The soundest response to the Soviet use of active measures is to keep our balance. It is as unwise to ignore the threat as it is to become obsessed with the myth of a super Soviet conspiracy manipulating our essential political processes. We should keep in mind that active measures are only one aspect of our complex relationship with the Soviet Union.

The foundation of a sound Western answer to active measures is understanding the problem. This involves the collection and analysis of relevant information. It is not only an intelligence matter, however, as the purpose of active measures is both political and psychological. Another complication is that active measures transcend national borders; a forgery targeted to harm the interests of one country may be surfaced half a world away. Disinformation campaigns involve media in many countries. These and other problems are not insurmountable obstacles to a greatly improved understanding of the worldwide pattern of active measures if we align our antennae to face the challenge.

Since the Soviets are committed to active measures as a regular instrument of foreign policy, it must be viewed as a problem for the long run. Sudden enthusiasms to expose their dirty tricks followed by troughs of apathy are not the answer. A reasoned and effective response must be persistent and continuing, and this is best achieved by a growing public understanding and emerging consensus on the significance of these

activities. Governments also have the responsibility to protect their sovereignty from active measures distortions by exposing and removing the foreign instruments of intervention, such as the diplomat who engages in improper activities or the foreign journalist whose position is a cover for disinformation activities.

But our response must not be limited to effective counterintelligence, important as that may be. Active measures need to be countered by public exposure. They are infections that thrive only in darkness, and sunlight is the best antiseptic. Governments should make available to their publics as much as possible of our growing knowledge of Soviet practices. Needless to say, any exposure of covert Soviet manipulations has to meet the highest standards of accuracy.

Publicity serves a number of purposes. Our publics need the best information to perform their democratic duties. Moreover, awareness of Soviet practices helps citizens to avoid becoming the victims of specific active measures operations. Publicity also acts

as a disincentive to the U.S.S.R. by increasing the price of failure. Conversely, a tacit acceptance of the Soviets' use of active measures would encourage them to bolder actions.

To sum up, the Soviet Union uses active measures extensively and has created a large bureaucracy to implement these activities. While not an immediate, mortal threat to the West, they are harmful, although the precise degree is difficult to determine. Whatever danger active measures pose, their continuing use in itself is an obvious obstacle to improved relations with the Soviet Union. While recognizing that active measures are but one aspect of our complex relationship, common sense requires that we counter these intrusions not only through effective counterintelligence but by keeping our citizens as fully informed as possible of the deceptive practices to which they are exposed. Much as we would like to see active measures eliminated from the conduct of foreign affairs, we must realistically accept the implications of these hostile Soviet activities and contain them to the best of our ability. ■

14th Report on Cyprus

MESSAGE TO THE CONGRESS, JUNE 16, 1983¹

During the period since my last report, there has been considerable international focus on Cyprus. The Cyprus question was debated in the U.N. General Assembly which adopted a Resolution on May 13 calling for "meaningful, result-oriented, constructive and substantive negotiations" between the two communities. Approximately 50 countries spoke in the Assembly and supported continuation of the intercommunal talks under the aegis of the Secretary General. We reaffirmed our commitment to the success of the Secretary General's good offices role although we abstained on the Resolution, believing it contained elements potentially unhelpful to the intercommunal talks.

Now that the U.N. General Assembly session is past, we anticipate a period of reevaluation by both communities. We expect, nevertheless, representatives of the two communities to return to the intercommunal talks. We continue to believe those talks hold the best prospect for finding answers to the problems of Cyprus.

On May 6 the U.N. Secretary General issued a report (a copy of which is attached) on the question of Cyprus in which he notes that the intercommunal talks, although recessed for the Greek Cypriot elections, reconvened in April in "a cooperative and constructive atmosphere."

The Secretary General, within his Security Council mandate, has pledged to "make every effort to give fresh impetus to the process" of the talks, an effort we fully support.

Assistant Secretary of State Richard Burt visited Cyprus during the period for indepth discussions with leaders of both communities and with U.N. officials. Other diplomatic representatives also remain in close contact with all parties to the problem.

Sincerely,

RONALD REAGAN

¹Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Charles H. Percy, chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of June 20, 1983). ■

A Critical Juncture for the Atlantic Alliance

by Richard R. Burt

Address before the Time conference on the Atlantic alliance, Hamburg, Federal Republic of Germany, on April 25, 1983. Mr. Burt is Assistant Secretary for European Affairs.

This conference could not be more timely. And the need to view trans-Atlantic developments with care could not be more critical. As a former journalist, I am aware that those outside government have the opportunity to observe the ebb and flow of current affairs with a unique perspective. As a government official, I am also aware that this opportunity is not always seized as often as it might be. It is for this reason that *Time* and the conference organizers deserve our most sincere thanks and appreciation. Indeed, those of us enmeshed in the day-to-day of policymaking are in need of the criticism and vision of people such as yourselves and gatherings such as this. Without the benefit of perspective, we are less likely to shape historical forces than to be shaped by them.

I believe we have arrived at a critical juncture in the annals of the Atlantic alliance. Let me hasten to add that this is not because we are in a deep crisis as some would have us believe. Rather, we are in the midst of what can best be described as a grand debate. It is a debate over the very essence of the Atlantic alliance—its purpose, its shape, its future.

This is hardly the first time the alliance has been in the throes of self-examination and self-criticism. Indeed, the Atlantic alliance was born amidst controversy. The entire notion of peacetime engagement in the affairs of Europe went against the grain of American history. Postwar America was anxious to bring its boys back home and bring about a parochial peace with prosperity.

Nor were the formative years of the alliance easy ones for Europeans. Reconstruction and recovery were foremost in everyone's mind. Arming to prevent yet another war demanded all too scarce resources; forging bonds of trust with

recent foes demanded the intellectual courage to look ahead rather than back.

But on both sides of the ocean, the uncommon men of the immediate postwar era made difficult, and sometimes unpopular, decisions. In the United States, two world wars had shown all too clearly the folly of isolationism. It was understood that Jefferson's famous injunction against "entangling alliances" did not have permanent application. In Europe it was understood that the security of the Continent against the emerging Soviet threat required permanent association with a noncontinental power. Out of these twin recognitions the alliance came to life. The initial debate had been decided.

The alliance of the 1950s was an alliance overwhelmingly dominated by the United States. Deterrence depended on U.S. nuclear superiority to offset a Red Army which never demobilized. Decisions were largely reached in Washington and communicated through NATO in Paris. For the most part, we spoke, Europe listened; we led, Europe followed.

By the 1960s it was increasingly evident that such a formula had grown obsolete. Europe was no longer prostrate. Economic recovery had succeeded. The alliance was no longer based on a simple security guarantee but had evolved into a true military coalition with integrated national forces. And Europeans were less and less willing to accept American leadership without question. The conditions for a second great debate had materialized.

Many of the strains accompanying these developments were manifested in the nuclear realm. Then, as today, nuclear politics went to the heart of the alliance. Two principal issues emerged in the nuclear debate of the 1960s. The problem was in part military. The American guarantee was no longer as convincing, given Soviet strides in developing their nuclear arsenal. How could the U.S. strategic deterrent compensate for conventional weakness and deter Soviet strategic forces simultaneously? Equally, the problem was

political. Europeans wanted some say in the life-and-death decisions affecting nuclear weapons.

Washington's proposed approach for dealing with these problems—the NATO multilateral nuclear force—only exacerbated these tensions. Fortunately, the ultimate solution had the opposite effect. The doctrine of flexible response, formally adopted by the alliance in 1967, provided for a continuum of forces—conventional, theater nuclear, and strategic nuclear—by which deterrence could be maintained at all levels. And a new institution, the NATO Nuclear Planning Group, was created. Responsibility for nuclear policymaking would henceforth be shared. The basic Atlantic bond was maintained.

Evolution of the Current Debate

But in the best tradition of Hegelian logic, yesterday's synthesis has given way to today's antithesis. There is no little irony in this. In the 1960s, European concerns reflected a perceived lack of U.S. commitment to maintain the American nuclear guarantee; in the 1980s, the most vocal elements in Europe view with alarm American efforts to ensure the credibility of this same nuclear guarantee.

Thus, in 1983, we are once more hearing from many quarters that the alliance is no longer relevant, or viable, or both; that only radical surgery can prolong the patient's life. If I read the signs correctly, a third grand debate is underway. The reasons for this happening now are several.

First, the passage of time has dulled the initial Atlantic impulse; the alliance no longer seems as relevant to the concerns of young people bearing outlooks formed by experiences far from those of the postwar era.

Second, European states and institutions have advanced in capacity, wealth, and independence. Many on both sides of the Atlantic view the alliance as an anachronism, a product of an era of American strength and European weakness which no longer exists.

Third, U.S. and European interests are not always identical or even complementary. We are often economic competitors. We often have differing views of Third World or regional crises. We at times have contrasting assessments of

the Soviet Union, the threat it poses, and how best to manage East-West relations.

Fourth, a prolonged period of economic recession has increased competition for budgetary allocations. Providing more for defense and deciding how much each member of the alliance ought to provide are increasingly contentious.

Finally, shifts in the military balance and the emergence of U.S.-Soviet strategic parity, in particular, have raised anew the issue of American reliability. The credibility of the U.S. strategic deterrent is sometimes doubted. The emergence of Soviet superiority at the intermediate nuclear level has raised new questions as to the coupling of the defense of Europe and the U.S. strategic deterrent.

That a great debate over the future of the Atlantic alliance should evolve out of such circumstances is hardly odd; indeed, it would be odd if one were not to take place. Not surprisingly, we are seeing challenges to the basic Atlantic model coming from all parts of the political spectrum. Both sides of the Atlantic are participating. What I should like to do today is make my modest contribution to this debate.

American Challenges to the Atlantic Model

In the United States, it is significant that we are not witnessing a revival of traditional isolationism. Fortress America is not being promoted as a model of American well-being. Perhaps the notion is simply too discredited to hold much attraction; perhaps most have simply come to accept that the United States is too dependent upon, and interdependent with, the rest of the world to pursue this simplistic and dangerous option.

Other challenges to the Atlantic connection exist, however. There is, for example, an American school of thought that has come to be known as "global unilateralism." Adherents of this school begin with an appreciation of the global scope of U.S. interests. They note the broad range of possible threats to the United States. And they would reduce the U.S. commitment to Europe so that

President Meets With NATO Secretary General



(White House photo by Bill Fitz-Patrick)

WHITE HOUSE STATEMENT, APR. 26, 1983¹

Earlier today, the President met with Joseph Luns, the Secretary General of the North Atlantic Treaty Organization. The President and the Secretary General met in the Oval Office. The Secretary General is in the United States to meet with [Defense] Secretary Weinberger and to maintain his regular consultations with U.S. leaders. They last met in June 1982 during the NATO summit in Bonn.

The two discussed the INF [intermediate-range nuclear forces] negotiations and the close and continuing allied consultations that have led to the alliance's strong unity behind the U.S. proposal. Both men agreed on the need for the alliance to remain steady on its

deployment course if a concrete agreement with the Soviets is not reached.

The President and the Secretary General also discussed the NATO Economic Committee's study of the security implications of East-West economic relations. The President told the Secretary General that the study is an important part of the overall allied effort to develop a comprehensive Western approach to East-West economic relations.

The President also took this opportunity to express his deep respect to the Secretary General for his continuing and outstanding contributions to alliance security and unity.

¹Made by White House Deputy Press Secretary Larry Speakes at his daily press briefing (text from Weekly Compilation of Presidential Documents of May 2, 1983). ■

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we could enhance our flexibility to act everywhere.

This approach is flawed. All interests are not vital; all are not equal. The balance of power in Europe is central to world stability and American involvement in Europe is central to the balance there. Moreover, our range of ties, commercial and cultural, cannot be duplicated or done without. The reality is that there is no cheap way of protecting these interests. Deterrence, to be credible, requires a large U.S. continental commitment; it also requires that we act together as a true coalition.

A second challenge is perhaps better known to you. For want of a better phrase, I call it "Atlantic reconstruction." It manifests itself in several places—the Congress and the media most notably—and in several ways by, for example, threatening troop withdrawals or not funding defense programs critical to the defense of Europe.

The roots of this American movement are to be found in the soil of frustration and resentment. There is a growing belief in the United States that Europeans are not doing their share, be it to defend themselves or to defend common interests around the world. Sometimes tied to this view is the belief that Europe's commitment to detente outweighs its commitment to the alliance, that Europe is more concerned with its economic well-being than with Western defense. The reconstructionists want to end this alleged "free ride." They wish to send a signal to Europe to stimulate a larger European defense effort.

As is often the case, neither analysis nor prescription is accurate. That we all need to do more to strengthen deterrence is obvious. And that there is a requirement for equity on defense efforts in a coalition of democratic states is also clear. More must be done, and the Reagan Administration has worked hard to increase defense spending on both sides of the Atlantic. At the same time, we have sought to deflate misconceptions about allied contributions to the common defense. There is not enough awareness, for example, that should conflict arise in Europe, 90% of NATO's land forces and 75% of its sea and air forces would be European.

There are those who argue that we could improve the situation by cutting U.S. efforts. I do not doubt that by

doing less in Europe the United States would, indeed, "send a signal." Unfortunately, it would be the wrong signal with the wrong result. In the name of enhancing deterrence and defense, those who would cut back America's contribution could well achieve precisely the opposite. Reducing U.S. strength and raising questions about the U.S. commitment are hardly self-evident ways of promoting peace and stability.

European Alternatives

An even greater debate is taking place on this side of the Atlantic. This is to be expected, given the immediacy of the issues here. Let me address briefly what I see as the principal alternatives being presented.

Neutrality. Three schools of thought appear to dominate. The first would exchange the alliance for neutrality. Some go as far as to see this neutrality embracing all of Europe, West and East. It is argued that a Europe without allegiance to either bloc and without significant military forces would be a safer haven, less likely to be drawn into a confrontation between the two superpowers. Somewhat differently, it is asserted that Europe (and especially Germany) could make its most important contribution to peace by serving as a bridge between the two superpowers, explaining one to the other.

These are romantic visions. With or without its Eastern neighbors, a weak and neutral Western Europe would be under the sway of the strongest continental power, the Soviet Union. What is needed for peace is less a bridge than a bulwark. Our problems with the U.S.S.R. are not caused by a lack of communication, although communication is important. Our problems with the U.S.S.R. are caused by a lack of Soviet restraint and respect for the interests and well-being of others.

Armed Independence. Some recognize these realities and, instead, argue for a Western Europe that is strong, independent of the United States, and able to provide fully for its own security. An image of a European

military entity is held up, the analogue to European political cooperation and economic integration. In this model, Europe would thus be able to mediate between the two powers from a position of strength—able to deter one without being tied to the other. European interests would prosper, we are told.

I can do no better in describing this school of thought than by quoting Hedley Bull of Oxford University:

The course that the Western European countries should now be exploring may be called the Europeanist one. It requires the countries of Western Europe to combine more closely together, increase their defense efforts, and take steps toward reducing their military dependence on America.

Professor Bull's vision, too, suffers from a lack of realism. Europe at present lacks the requisite political basis for constituting such collective management of its security. It is not clear that European states would be willing to make the necessary political commitments and economic investment. And it is not at all certain that the emergence of an independent, armed Europe—with conventional and nuclear forces alike—could occur without crisis or even conflict. Indeed, the security and stability we all know and enjoy now could be jeopardized by such development.

Reconstruction. A third approach is embodied by proposals now coming from opposition parties in northern Europe. In many respects, these ideas are the mirror image of the proposals offered by American reconstructionists. The European reconstructionists have several goals: to lessen the influence of the United States; to reduce the likelihood of nuclear war in Europe; to carry out a more independent policy toward Moscow; and to promote European interests around the world as they see fit. They seek not to leave the alliance so much as to change it from within.

Even such "reformist" policies are not without major difficulties; indeed, they draw upon several of the worst features of the two alternatives just discussed. We should not delude ourselves. Conventional defense needs strengthening. But more robust conventional defense efforts will not make nuclear forces irrelevant or redundant. Soviet conventional and nuclear advantages must be offset, whether by deployments, arms reductions, or both. The bond between forces in Europe and

U.S. strategic deterrence, or coupling, must be maintained. At the same time, conventional force improvements will prove costly; a consensus for a major increase in the level of defense effort has yet to emerge. And heightened European independence from the United States has its risks; Europeans cannot choose when they wish to enjoy the fruits of alliance and when they do not. There is room for disagreement and difference within the alliance but not for selective commitment.

Other Concepts

Neutrality, armed independence, reconstruction—these are the three basic European alternatives to the current Atlanticist framework for Western security. Cutting across these approaches are various themes which would also alter the current Atlantic bridge in a decisive manner.

Antinuclearism is one such idea. The aim is to reduce or, if possible, eliminate the presence of nuclear weapons in Europe and with them the risk of nuclear war. The most ardent enthusiasts of this proposition would do so unilaterally in hopes of eliciting parallel Soviet restraint.

But I agree with [former Secretary of Defense] Harold Brown's observation about U.S.-Soviet arms competition: "When we build, the Soviet Union builds; and when we don't build, the Soviet Union still builds." Moreover, unilateral actions by the West would undermine our best chance for meaningful arms control negotiations. More seriously, unilateral nuclear disarmament would threaten deterrence and heighten the vulnerability of the West, too.

Nor can there be a policy of "no first use" of nuclear weapons. The effect would once again be decoupling and thus erode, not enhance, deterrence. It is the prospect of the use of nuclear weapons and the full weight of American might which helps to keep the peace in Europe.

Wishing away the possibility that nuclear weapons will be used is not enough. Declarations are simply words. Meanwhile, Soviet conventional, chemical, and nuclear capabilities are real and increasing. Were the alliance to adopt a policy of no first use of nuclear weapons, the danger of conventional war—which would be incredibly destruc-

tive in our age—would be increased and with it the possibility of nuclear tragedy. More than 50 million people perished in World War II; we cannot adopt policies which would heighten the risk of conventional, not to mention nuclear, war in Europe.

Lastly, there are those who remain within the alliance or Atlantic house but who place all their hopes on arms control. Arms control—whether some version of a nuclear freeze or negotiations more broadly—is held up as the panacea for Europe's dilemma. Only arms control, it is alleged, offers the means to limit the threat, reduce the levels of weapons and the spending on them, and promote renewed detente.

But such hopes cannot live in isolation. Arms control will only prosper if the Soviet Union has incentive to negotiate; what is required to bring this about is a sound military foundation on our part. Nor can arms control be expected to persuade the Soviet leadership to eschew the role of force; Soviet policy at home and abroad depends on it too much. Arms control has the potential to buttress our security and deterrence; it cannot take the place of our collective efforts to do the same.

Elections in Turkey

PRESIDENT'S STATEMENT, MAY 7, 1983¹

When the military took power in Turkey under conditions of near anarchy in 1980, they committed themselves to restoring democratic government as soon as possible. The United States welcomed the timetable they set for carrying out that promise, and we have expressed our support for each step along the way.

I warmly welcome President Evren's recent announcement that parliamentary elections will be held on November 6, thus completing the process of restoring democracy. I congratulate the Turkish people for this remarkable achievement and assure them of the continued support and friendship of the U.S. Government and people.

¹Text from Weekly Compilation of Presidential Documents of May 16, 1983. ■

What Is at Stake

In more normal times, debates involving competing conceptions of alliance security would be welcomed. Over years or even decades, we would perhaps create a new consensus. But 1983 is not a normal time. To the contrary, 1983 could well turn out to be the most important year in the history of the Atlantic alliance since its inception.

The reason for so stating is clear. To a degree unlike any other year since 1949, the determination and credibility of the alliance are being tested. How we implement the December 1979 decision on intermediate nuclear forces will have a major impact on our future. Those who would apply their abstract or idealized notions of how best to structure the Atlantic relationship to determine the outcome of the INF [intermediate-range nuclear forces] debate should only do so with a full understanding of what is at stake.

Not surprisingly, this temptation exists. There are those in the United States who wonder why we should go to such lengths to bring about the implementation of the decision. They are unhappy that so many facets of the U.S.-European relationship are held hostage to the INF decision and cite the possibility that deployment of U.S. missiles in Europe could heighten the risk of a direct Soviet nuclear attack on the American homeland.

On this side of the Atlantic, there are those—particularly the new neutralists—who maintain precisely the opposite. They argue that new U.S. weapons based on the Continent would enable us to localize or limit an East-West nuclear exchange to Europe. Others simply argue that the new missiles are not necessary because the Soviet Union has no intention of exploiting its current INF monopoly. Or, in yet another variation, there are those who are prepared to wait indefinitely for arms control to solve the security problem created by SS-20 deployment. In every case, they seek to opt out of implementing the 1979 decision.

The fallacies in each of these approaches are manifest. The United States cannot be secure for long in a world in which Western Europe is not. Americans who would weaken or remove the U.S. nuclear guarantee would jeopardize the prospects for stability and peace everywhere. In the name of reducing risk to themselves, they will have raised it for everyone.

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European opponents of deployment are also mistaken. The effect of new U.S. missiles would not be to limit or localize a nuclear exchange in Europe but rather to prevent one. Indeed, it is in part through the threat of escalation and full American involvement that we help to promote stability and deterrence in Europe. Indeed, no better proof for this proposition exists than Defense Minister Ustinov's recent comment that the Soviet Union would respond to a strike by U.S. systems in Europe by directly attacking the United States. If that's not coupling, I don't know what is.

Those who maintain no new deployments are needed, whether owing to Soviet good will or the prospects of arms control, are simply deluding themselves. It is probably true that Western Europe could live with a Soviet preponderance of force; but to expect the Soviets not to exploit any advantage for its own paranoid, political purposes is to ignore every lesson of history. Similarly, the U.S.S.R. cannot be expected to negotiate seriously in the absence of any incentive to do so; deployment, either in promise or in fact, remains our best and only way to get the Soviets to come to the negotiating table in good faith.

In short, the implementation of the INF double-track decision has become the touchstone for Western security in the 1980s. The decision continues to have a sound political and a sound military rationale. It was taken in response to an unprovoked Soviet buildup which continues unabated. It represents continued alliance commitment to a concept of deterrence predicated on the notion that American power tied to Europe is the best way of promoting European stability and peace. The commitment of the Reagan Administration and allied governments to pursuing both tracks—arms control and, if need be, deployment—of the 1979 decision is now unshakeable.

My support for decisions taken some 3½ years ago and my criticism of various alternative visions of the alliance should not be interpreted as complacency. The flaws of the various alternatives I have described should not be taken as a complete dismissal of their validity. Nor should it be understood as a complete endorsement of the status quo. If I

may modify an old American adage for my purposes here tonight, I would simply advise against fixing the alliance more than it is broken. Or, to shift metaphors, I would simply urge you to beware of cures worse than the disease.

This is not a call for standing pat. Reform is needed. So too is close consultation. We must upgrade not only our nuclear deterrent but also our conventional forces. More must be done to safeguard common interests outside the formal treaty area. We must ensure that our commercial relations with the East are consistent with our political and security requirements. And we must continue to be imaginative and flexible in our search for meaningful arms control agreements.

We must be careful, though, in how we proceed. Europe in the 30 years since the Second World War has been spared armed conflict. We have achieved levels of prosperity and freedom without historical precedent. Too much is at

stake to go ahead precipitously or recklessly. The alliance and the basic Atlantic model or structure remain relevant and viable. Only within its contours can we harness the resources of the West in a manner which maximizes effectiveness and minimizes the burden on our free societies and strained economies.

There is a wonderful line from the novel, *The Leopard*, by the Italian author Giuseppe di Lampedusa. "If we want things to stay as they are, things will have to change." To a degree this is true. Indeed, the history of the alliance is a series of adaptations to evolving circumstances. The alliance of 1983 is not the alliance of 1949.

Yet, there must also be limits to our departures. The essentials of the Atlantic model that is the alliance have served us well and should be saved. The alliance can continue to safeguard our interests if we are as wise about what to keep as we are about what to change. ■

Visit of Spanish President

President Felipe Gonzalez Marquez of Spain made an official working visit to Washington, D.C., June 20-22, 1983, to meet with President Reagan and other government officials.

Following are remarks made by Presidents Reagan and Gonzalez after their meeting on June 21.¹

President Reagan

I would like to take this opportunity to underscore our great pleasure at receiving President González and express once again our friendship and admiration and support for the Government and the people of Spain.

The President and I had an exceptionally productive and cordial meeting today. We reviewed international and bilateral matters in an open, understanding, and democratic spirit that one would expect between friends and allies.

We affirmed the need for strong leadership to deal with the political and economic and social problems which underlie so much of the unrest in the world today.

We agreed on the importance of maintaining Western strength and solidarity in these critical times and expressed our desire to work closely together as we face the challenges ahead. We agreed on the desirability of an early, positive, and balanced conclusion to the CSCE [Conference on Security and Cooperation in Europe] review conference presently underway in Madrid. I expressed our appreciation for President González's recent initiative in this regard, which we'll be discussing with our friends and allies.

There are numerous areas of closer cooperation, including the pursuit of our common energy security interests. We value Spain as an important partner. We welcome the President's high sense of

responsibility in guiding his country at this critical moment in its history. We applaud Spain's aspirations to join Europe fully and to make its voice heard in Europe's leading institutions.

We believe the West's most fundamental resource is the strength of democratic institutions. The consolidation of democracy in Spain is a ringing affirmation of the vitality of Western institutions and the appeal of Western values.

President Gonzalez

First, I want to thank President Reagan for this occasion to hold an open conversation with the United States, which we consider a friendly country, a good friend of Spain.

As you know, Spain is a very old European country which, among other things, discovered this land that nowadays occupies this great country of yours. But it's also a young country, not only because the country people are young but because we just recovered the dignity of being a democratic country.

A simple definition of Spain would characterize what its foreign policy should be. Spain is a European and a Western country—the most Western of the European countries—nothing then is more logical than its wish to, and its desire to, participate and integrate in the European and the Western world and cooperate with the Western world in a common destiny.

But we are also a southern country in Europe. We are very close to Africa, and our coast is in the Mediterranean Basin. This defines another important aspect of our foreign policy: the north of Africa and the important waters of the Mediterranean Basin.

The fact that I cannot communicate with you in English means that there is another dimension in our policy and identity: the fact that we can communicate in our language, in Spanish, with practically 300 million people in the American Continent. This gives a third dimension in the foreign policy of Spain,



(White House photo by Pete Souza)

without meaning that any one of them means a priority against the others.

Let me tell you that I am 41 years old, and during 33 of these years, I was dreaming of a free and democratic Spain. This is, of course, what we want and we hope for our people. But this is also what we want and we hope for other peoples wherever we can project this foreign policy. We, therefore, wish and want for other countries which can communicate with us in cultural level: peace, freedom, pluralism, and progress.

Because it's America and because it's such an important country in the world, you'll understand perfectly well that we want also to make our links with the United States even closer, which explains two things: my presence here accepting a gracious and very kind invitation of President Reagan and my satisfaction because of the course of these conversations we have just had.

¹Text from Weekly Compilation of Presidential Documents of June 27, 1983. ■

Soviet Jewry

by Elliott Abrams

Statement before the Subcommittee on Human Rights and International Organizations of the House Foreign Affairs Committee on June 23, 1983. Mr. Abrams is Assistant Secretary for Human Rights and Humanitarian Affairs.¹

I would like to discuss the situation of Jews in the Soviet Union today with special reference to four general areas of concern: anti-Semitic propaganda, attacks on the study of Hebrew and Jewish culture; attacks on the Jewish religion; and emigration. Before doing that, however, I want to say a few words about the history of the Jewish community in the Soviet Union, for I believe that in order to understand the Jewish situation in the Soviet Union today, we must go back to the very beginning of the Soviet regime.

The encounter between the Soviet regime and Russian Jewry has developed over several stages. Initially, the Bolshevik Revolution offered Jews, like other minority groups in Russia, an awkward bargain: the exchange of large parts of their traditional heritage for equality with the Russians. For Jews, this tacit offer was particularly awkward. Religion was the core of the Jewish heritage, but Marxism was atheist and deeply committed to extirpating religion as a living force in the country's life. Nevertheless, this bargain provided a basis for a somewhat free Jewish life in Russia. Marxism, with its basis in the philosophy of the Enlightenment, fought anti-Semitism vigorously in the immediate aftermath of the Bolshevik Revolution.

Under Stalin, however, the strengthened totalitarian impulse to "reforge" the masses of human beings inevitably created grave dangers for any community that was distinctive or had an ancient heritage. The storm did not break on Soviet Jews until just after World War II. In 1946 the campaign against "rootless cosmopolitans" began. It died down briefly in 1950-51 but was continued and horribly intensified in the campaign against "Zionists" by 1950-53, culminating in the so-called doctors affair, in which a number of prominent Jewish physicians were accused of murdering several Soviet leaders and plotting to murder others.

Two things were noteworthy about this emergence of anti-Semitism.

First, it was not social anti-Semitism, or an atavistic return to tradition, but official policy. On one day, the state-run papers would be free of references to Jews, on the next day full of anti-Semitic innuendo.

Second, this official policy was decided on after an analysis of prior experience. Given its timing, it is very probable that the Soviet Government's turn to anti-Semitism was a conscious imitation of Hitler's policy. It seems to have been based on a perception that the Nazi use of anti-Semitism had been enormously successful. Thus, with staggering cynicism, the Soviet regime followed V-E Day by imitating the core of the political program of its defeated Fascist enemy.

What this brief summary of Soviet history shows is that the Enlightenment heritage in Marxist ideology—which had initially protected Jews—had undergone an astonishing decomposition by 1946, less than 30 years after the revolution. By 1983 the decay of Soviet ideology has proceeded even further. To read books of Soviet ideology is to see the lifeless juggling of sterile jargon according to political expediency. To visit the U.S.S.R. is to feel a stifling cynicism about the political principles of communism.

I believe that this is an essential part of the problem which Soviet Jews face today. Basically, the encounter between Soviet communism and the Jews is a conflict between the most rapidly decaying ideology in human history and one of the most permanent—the heritage of the Jewish people—which has stood for thousands of years.

This fundamental contrast, moreover, cannot but be profoundly disturbing to Soviet leaders. It makes them deeply suspicious of Jews as those who possess an apparently inexplicable inner firmness which ideologists cannot control and which will outlast Soviet ideology.

Thus, Soviet anti-Semitism was not cancelled after Stalin's death like some other innovations of Stalin's. The codeword "Zionists" for Jews was introduced in the Soviet press in November 1952, specifically, as part of the preparation for the anti-Semitic terror intended to surround the doctors affair. This codeword still remains part of Soviet rhetoric. Most of the public bodies purged of Jews from 1948 to 1953 have remained *judenrein*. The ter-

ror hanging over Soviet Jews eased after Stalin's death, as it did for other Soviet citizens. For a period during the 1950s and 1960s, many Jews had successful professional careers and had obtained higher education in substantial numbers. But anti-Semitism quickly resurfaced during the early 1970s. There have been some ebbs and flows over the past decade, but the overall trend has been toward an increasingly vicious, official campaign of anti-Semitism, which purports to be anti-Zionism.

With this background in mind, let me turn now to the situation of Jews in the Soviet Union today and to the four areas I singled out for special concern.

Anti-Semitic Propaganda

For many years now, the Soviet Union has been orchestrating a vicious anti-Semitic propaganda campaign under the guise of "anti-Zionism." The contents of this anti-Semitic campaign resemble nothing so much as that notorious anti-Semitic forgery, *The Protocols of the Elders of Zion*. Soviet propagandists have equated Zionism with every conceivable evil, including racism, imperialism, capitalist exploitation, colonialism, militarism, crime, murder, espionage, terrorism, and even Nazism. To give the distinguished members of this committee some idea of the nature and scope of this campaign, let me read you a brief excerpt from an article which appeared in the October 10, 1980, issue of *Pionerskaya Pravda*, a weekly magazine for children, ages 9 to 14, belonging to the Soviet youth organization, Pioneers.

Most of the largest monopolies in the manufacture of arms are controlled by Jewish bankers. Business made on blood brings them enormous profits. Bombs and missiles explode in Lebanon—the bankers Lazars and the Leibs are making money. Thugs in Afghanistan torment schoolchildren with gases—the bundles of dollars are multiplying in the safes of the Lehman and Guggenheims. It is clear that Zionism's principal enemy is peace on earth.

I could go on and cite literally hundreds of similar excerpts from the Soviet media, but I want to draw the committee's attention to some of the most recent manifestations of Soviet anti-Semitic propaganda. These include the formation in April of this year of an anti-Zionist committee of the Soviet public to parrot the official propaganda line; the broadcast, in recent months, of a blatantly anti-Semitic television program on Zionism in which certain Jewish leaders were labeled "enemies of

humanity," and in which the term "final solution" was used; and the publication of a book, *The Class Essence of Zionism*, which contends that Jews, themselves, are partly responsible for Europe's history of violent anti-Semitism. Such broadcasts and books could not see the light of day without official approval.

Attacks on the Study of Hebrew and Jewish Culture

Soviet anti-Semitism also manifests itself in the attempt to discourage the study of Hebrew and Jewish culture. Jewish cultural activists and Hebrew teachers have been officially warned to cease their activities or face various forms of retaliation. Two cultural activists in Sverdlovsk (Shefer and Yelchin) were, in 1982, each sentenced to 5 years in a strict regime labor camp for "defaming the Soviet state," based on their possession of Hebrew books. In November 1982 prominent activist Iosif Begun was arrested; he is still awaiting trial on charges of "anti-Soviet agitation and propaganda."

Attacks on the Jewish Religion

The practice of Judaism is subject to the same stifling official restrictions that govern other religious groups in the U.S.S.R. For example, organized religious instruction of children is legally proscribed, and state officials closely scrutinize all aspects of congregational activity. Numbers of operating synagogues and trained clergy are kept at inadequate levels. There is no functioning rabbinical seminary throughout the length and breadth of the U.S.S.R.

Soviet Jews are put by the government in a double bind: They are allowed neither limited cultural and political autonomy—like almost all of the nationalities of the Soviet Union—nor assimilation into the Russian people. Most Soviet nationalities have union republics or other national political units, as well as indigenous-language cultural expression (newspapers, books publishing, radio, theater, etc.), within definite limits. On the whole, creativity in the modern language is allowed, as long as official guidelines are followed, and the study of most classics in ancient languages is allowed. But Yiddish cultural expression and specific Jewish cultural expression in Russian is virtually impossible. Most forms of the study of Hebrew are prohibited, and Hebrew books are not available. Jewish religious practice is severely restricted by the

small number of synagogues, the lack of any rabbinical seminary to correspond to the Orthodox and Moslem seminaries, and the virtual incompatibility of religious worship with Communist Party membership—and, therefore, with many types of middle-class jobs.

On the other hand, Jews are denied the path of assimilation into the Russian or other nationalities of the Soviet Union. It is virtually impossible for an adult to get rid of the designation "Jew" in his or her internal passport. (The internal passport which all Soviet citizens are issued indicates their nationality.) Being labeled in this way subjects Soviet Jews to pervasive discrimination.

It is important to realize that this involves not only quotas as in the universities but the virtually complete exclusion of Jews from a number of professions and organizations, such as significant positions in the Communist Party apparatus, the secret police, and the officer corps of the army.

Emigration

For large numbers of Soviet Jews, emigration offers the only way out of this double bind. Unfortunately, Jewish emigration from the Soviet Union has fallen drastically—from 51,300 in 1979 to 21,500 in 1980; 9,400 in 1981 and under 2,700 in 1982, the lowest since 1970. This year, the decline has continued: less than 600 Jews have emigrated during the first 5 months of 1983. The January 1983 monthly figure of 81 was the lowest since 1970. This compares with monthly totals of over 4,000 for most of 1979. Moreover, Jewish emigration applicants are routinely dismissed from their jobs and forced into temporary and/or menial employment. This practice is especially prevalent against those holding professional or technical positions.

The children of Soviet Jews who apply for emigration are also subjected to persecution. School-aged children are commonly made objects of teacher-encouraged ridicule and harassment. Young men have been promptly conscripted upon reaching draft age, despite their families' well-known intention to emigrate. Conscription can delay a family's emigration by as much as 8 years—up to 3 years of military service, followed by a 5-year period in which the inductee is ineligible for emigration due to his exposure to "military secrets."

Discrimination against Soviet Jews in employment and education is not

limited to "refuseniks." Jewish enrollment in universities and entry into certain professions are limited by more difficult qualifying standards than those imposed on other ethnic groups.

A number of Jewish scientists—11 cases are documented but estimates range much higher—were stripped of their academic degrees during 1980–82. Fortunately, the practice seems to have abated since its public disclosure in the West.

The U.S. Government is deeply concerned about the severe downturn in emigration, and the issue is being raised with the Soviets at every appropriate opportunity—both in public forums, such as CSCE [Conference on Security and Cooperation in Europe] and in bilateral talks. Secretary Shultz has placed particular stress on this and other human rights issues during discussions with Soviet Foreign Minister Gromyko. Embassy Moscow and Consulate General Leningrad follow developments on a daily basis and make numerous representations in support of emigration applicants.

Conclusion

There are no easy solutions to any of the problems which I have discussed. In the short run, our goals must be to help as many individuals as we can, limit discriminatory practices, and obtain freer emigration. Over the longer term, we have to try to obtain a Soviet system that is more open to outside influence, since that is our best hope for a peaceful evolution of that society into one that is easier to live with, as well as to live in.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

INTERNATIONAL LAW

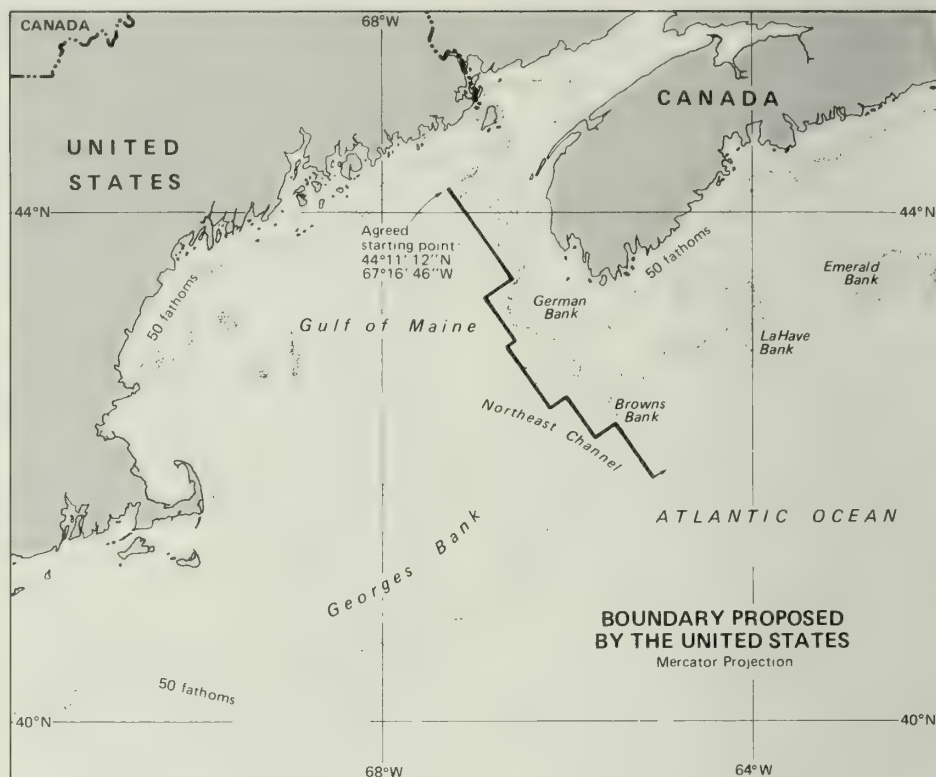
U.S. Submits Pleading to ICJ Concerning Canadian Maritime Boundary

On June 28, 1983, the United States filed its second written pleading (counter-memorial) with the International Court of Justice (ICJ) in The Hague in the "Case Concerning the Delimitation of the Maritime Boundary in the Gulf of Maine Area" between Canada and the United States. Canada also filed its second pleading on the same date. The first written pleading (memorial) was filed with the Court by both the United States and Canada on September 27, 1982.

The case is before the Court as the result of a boundary settlement treaty between the United States and Canada which entered into force on November 20, 1981. A chamber of five judges has been established by the Court to hear the case. The members of the chamber are Judge Roberto Ago of Italy, as President, Judge Andre Gros of France, Judge Hermann Mosler of the Federal Republic of Germany, Judge Stephen Schwebel of the United States, and Judge ad hoc Maxwell Cohen of Canada.

The Court will establish the single maritime boundary between the two countries that will divide their Continental Shelf jurisdictions and 200-nautical-mile fishery zones in the Gulf of Maine area. That boundary will also delimit the 200-nautical-mile exclusive economic zone of the United States in the Gulf of Maine area. At stake is approximately 15,000 square nautical miles of resource-rich ocean off the New England coast. This Atlantic area includes rich fisheries developed by the United States on Georges Bank, a site of significant cod, haddock, scallop, and other catches. The bank may also contain valuable oil and gas resources.

The boundary proposed by the United States claims jurisdiction over all of Georges Bank. New England fishermen developed the fisheries of Georges Bank during the 19th century and fished the area exclusively until the late 1950s when an influx of foreign fishermen began. Over the last 200



years, the United States has undertaken the primary responsibility for surveying and charting the area, the maintenance of other navigational aids, the provisions of search and rescue services, the conduct of scientific research, and defense. The boundary proposed by the United States respects the natural divisions in the marine environment of the area by taking into account the Northeast Channel, which separates the Georges Bank

ecological regime from the separate ecological regime of the Scotian Shelf.

One further round of written pleadings may be submitted. Oral argument is currently contemplated to be scheduled in early 1984.

The agent of the United States directing the case is Davis R. Robinson, the Legal Adviser of the Department of State. The Agent for Canada is L. H. Legault, Legal Adviser to the Department of Internal Affairs.

Press release 236. ■

MIDDLE EAST

Israel-Lebanon Peace Agreement

PRESIDENT'S REMARKS, MAY 17, 1983¹

Instead of the usual chit-chat here now while the cameras are on us, I'm going to make a little statement in their presence because of an event that took place this morning, and that was the agreement that's been drawn between Lebanon and Israel and was signed this morning and, I think, is a positive step toward peace in the Middle East.

And I'd like to extend my personal congratulations to President Gemayel and to Prime Minister Begin and their colleagues for the courage and statesmanship that they've shown. But also I would like to extend, and I think on behalf of all of the country, the heartfelt thanks to our Secretary of State, George Shultz. On top of the long-term efforts of our Ambassadors Habib and Draper [Philip C. Habib, special representative of the President to the Middle East, and Morris Draper, special negotiator for Lebanon], who are working over there, George went over and, I think, set some kind of record for going without sleep or rest in a real nonstop shuttle.

And now that brings about this agreement that I think gives hope for ending the suffering of the Lebanese people. It'll initiate a process which will culminate in the withdrawal of all external forces from Lebanon and of restoring Lebanon's sovereignty, independence, and control over its territory. And this will enhance the security, I think, and well-being of Lebanon and all of its neighbors.

It deserves the support of all of Lebanon's friends in the Middle East and around the world. And the way is now clear for others, whose forces are in Lebanon, to agree to withdraw as well. And this opportunity shouldn't be allowed to slip away. The risks if withdrawal fails are far greater than the risks of completing the withdrawal. And we will stand firmly beside Lebanon as this effort continues in the weeks and months ahead.

Again, my thanks to George Shultz for what he has accomplished over there.

¹Made as reporters assembled in the Cabinet Room at the White House to observe the beginning of a meeting between the President and Republican congressional leaders (text from Weekly Compilation of Presidential Documents of May 23, 1983). ■

The Lebanon Emergency Assistance Act

PRESIDENT'S STATEMENT, JUNE 27, 1983¹

I am pleased to sign into law S.639, the Lebanon Emergency Assistance Act of 1983. This act authorizes the appropriation of urgently needed economic and military assistance for Lebanon. The funding authorized by this act will greatly assist in promoting the economic and political stability of that country and support the international effort to strengthen a sovereign and independent Lebanon.

Section 4(a) of the act confirms this Administration's announced intention with respect to congressional authorization concerning any future substantial expansion in the number or role of U.S. forces in Lebanon. As indicated in its legislative history, that section does not prevent the initiation of such actions, if circumstances require it, while Congress is considering a request for statutory authorization; nor, of course, is it intended to infringe upon the constitutional authority of the President as commander in chief, particularly with respect to contingencies not expected in the context of the multinational effort to strengthen the sovereignty and independence of Lebanon.

¹Text from Weekly Compilation of Presidential Documents of July 4, 1983. ■

Persecutions and Repression in Iran

PRESIDENT'S MESSAGE, MAY 22, 1983¹

America and the world are increasingly alarmed and dismayed at the persecution and severe repression of the Baha'is in Iran. Recently we have learned that the Government of Iran has sentenced 22 prominent members of the Baha'i faith to death. This is in addition to the more than 130 who have been killed since the beginning of the revolution in Iran, including one man executed January 1, 1983, and three hanged in Shiraz on March 12, 1983.

These individuals are not guilty of any political offense or crime, they have not plotted the overthrow of the regime, and they are not responsible for the deaths of anyone. They only wish to live according to the dictates of their own consciences. I strongly urge other world leaders to join me in an appeal to the Ayatollah Khomeini and the rest of Iran's leadership not to implement the sentences that have been pronounced on these innocent people. Sparing their lives would be a step forward for Iran and the world community.

¹Text from Weekly Compilation of Presidential Documents of May 30, 1983. ■

Challenges of the Nuclear Nonproliferation Regime

by Richard T. Kennedy

Address before the Atomic Industrial Forum and FORATOM in Geneva on June 1, 1983. Mr. Kennedy is U.S. permanent representative to the International Atomic Energy Agency (IAEA) and Ambassador at Large and special adviser to the Secretary on nonproliferation policy and nuclear energy affairs.*

I am delighted to be with you today here in the beautiful city of Geneva. And I am equally pleased to have the opportunity to talk with you about a subject which is my preoccupation, my abiding concern, and one which I know is a matter of utmost concern to you, your governments, and to thoughtful people everywhere: preventing the spread of nuclear weapons.

I recognize many in the audience as old and valued friends, colleagues from former times, people who have concerned themselves with nuclear matters almost from the dawn of the atomic age. We sometimes forget that this incredible technology we deal with is so very young in human terms. It is, after all, scarcely 40 years old. By way of contrast, the first literary reference we have to the city which is now Geneva was in Caesar's *Gallie Wars*. Old Julius describes it as "an *oppidum* of the Allobroges whose territory was connected to that of the Helvetii by a bridge which Caesar, for military reasons, was forced to destroy." Caesar always used the third person, as you Latinists will recall.

That event occurred, and those facts were recorded, about 50 years before the birth of Christ. If the world is as old as we think it is, the atomic age, in relative terms, has barely occupied the time needed for a twinkling of the eye. Being in this old and beautiful city gives us a chance to take a long-term perspective for a change. It gives us the opportunity to forget the trees and look at the forest for once. If we want, we can take a refreshing pause from the transient difficulties or short-term setbacks we all have come to know and even to expect in our work.

I am going to take that opportunity right now and, stepping back from the daily fray, from the alarms and diversions of the moment, try to take a brief

look at the big picture. My impression is that, despite the criticism we hear from time to time, despite the fact that there are some obvious trouble spots around the world—despite all of these things, my impression is that our common efforts to prevent the spread of nuclear weapons are working. Let me tell you why I feel this way. You judge a tree by its fruit. The fruit of this tree is sound. We have in place an international nuclear nonproliferation regime which, while it is clearly not perfect, is functioning. We want to make that regime and the institutions, norms, and practices which comprise it stronger, more complete, and more effective.

During President John Kennedy's Administration 20 years ago, the consensus of policy experts was that by the mid-1980s, 15 to 25 countries would have nuclear weapons. They were wrong. Serious commentators then accepted, almost without question, the idea that the spread of nuclear weapons was inexorable, working its way out like a Greek tragedy, inevitably moving to a foreordained conclusion. Again, they were wrong.

To the contrary, there is growing acceptance in the international community today that the spread of nuclear weapons must be avoided. For it is increasingly clear that it would add to the insecurity of nations, worsen the divisions among countries, and contribute to vastly greater instability in the world community. There is a growing consensus symbolized by the adherence of 116 countries to the Non-Proliferation Treaty that acquiring nuclear weapons is not a sensible or reasonable course for nations to pursue. Rather, the consensus is that nuclear programs should be carried on only where there are adequate safeguards and other arrangements to make clear a country's commitment to the use of the atom for peaceful purposes.

In the United States, we have laws, policies, and procedures aimed at preventing the spread of nuclear weapons. Every other major nuclear-exporting country has adopted comparable although, obviously, not wholly identical restrictions. We can and should take considerable comfort from these facts.

The United States, as you well know, is firmly and fully committed to preventing the spread of nuclear weapons. This is a commitment that dates from the very beginning of the nuclear age, and it is a commitment that is shared by most other countries around the globe.

U.S. Progress

Let me cite just a few specifics which are very much on the positive side of the ledger as we look at the nonproliferation balance sheet today. We in the United States have made significant progress on our program for reduced enrichment for fuels for test and research reactors. Other countries have similar programs. These efforts over time will go a long way toward eliminating traffic in high-enriched uranium, while still allowing countries to meet their legitimate research and scientific objectives.

The negotiation of the Treaty of Tlatelolco by the countries of Latin America, creating a nuclear-weapons-free zone for that region, also is reason for optimism. Recently, the United States ratified Protocol I, and we urge other countries to ask themselves whether their long-term interests would not be served by taking the steps they can—as soon as they can—to bring that vital treaty into force everywhere in the hemisphere.

The United States also has put into place a coherent, realistic, yet prudent, plutonium use policy. We believe that the potential risks of reprocessing and use of plutonium as a fuel must be recognized. But we also realize that the energy needs of some nations may dictate its use at some point in the future. We believe, therefore, that where it can be judged that reprocessing and use of plutonium in civil nuclear power programs involves no proliferation risk, it is neither necessary nor wise to place crippling restrictions on our allies and friends who have advanced nuclear programs and who seek to develop more secure energy sources. Instead, our nonproliferation goals require that we work with these countries to ensure adequate security and safeguards for the use of plutonium in their peaceful nuclear energy programs.

We also can and should take considerable satisfaction from the progress we have made in strengthening those internationally agreed rules of nuclear

trade without which peaceful nuclear commerce would no longer be possible.

But let us be completely candid: There are strains on the existing norms, and there is need for still further efforts to broaden and strengthen these rules of nuclear trade.

Competition and Guidelines

In each of our countries, there are large nuclear industries, created at a time when projected energy demand was much greater and when it seemed that the future for nuclear power was unbounded. But times have changed, and we are all faced with the problem of how to preserve those nuclear industries for the future when demand for nuclear power will again grow—as I believe it will. In this situation, it is only natural that competitive pressures are intense. And those pressures are focused increasingly on the effort to find new markets abroad.

But it is in the interest of every nation—supplier and purchaser alike—that competition for those markets be carried out in terms of such factors as the quality of equipment, know-how and expertise, financing, delivery schedules, and the like. These are the traditional and understood grounds for competition in the marketplace.

Competition must not be conducted in a way that it will hinge on the readiness of a supplier to shade safeguards or other nonproliferation conditions, to look for possible technology sweeteners that will make purchasing from it seem more attractive than from another country that honors existing sound norms. For once the process of shading our shared nonproliferation standards begins, we will end up with the lowest common denominator of what can be agreed to among nations, each motivated not by its or the world's long-term interest but by short-term gain and fear of what its neighbors might do. Under these conditions, the non-proliferation regime will gradually unravel, and we will find ourselves unable to realize the atom's promise for the health and well-being of all.

The prospective emergence of new suppliers on the scene adds even greater urgency to our efforts to preserve and strengthen the agreed rules of nuclear trade. If there is disharmony and controversy among the major nuclear suppliers on conditions for nuclear export, new suppliers inevitably will be tempted

to use nonproliferation conditions as a bargaining factor in their pursuit of sales. If they see their role models performing in this way, what else can we reasonably expect? By contrast, agreement now among the existing suppliers on sound guidelines and a commitment to honor those guidelines will make it easier to urge new suppliers to follow those agreed and sensible export practices in the future.

A further word about such common supplier policies and guidelines: It is clear that no list of sensitive materials can ever be immutable. The items on any such list must change over time as technologies change and as our understanding of technologies becomes broader and deeper.

But there are other items whose relation to sensitive activities is more complex. What should we do, for example, if a nation seeks to buy a computer which could be useful in the operation of an unsafeguarded reprocessing plant? Here we get to the heart of the dual-use question: The same computer that could help in the operation of a reprocessing plant could also be used quite properly and harmlessly in a large chemical facility. How should the nations of the world decide which request to honor and which to reject? The nuclear-exporting states, after all, are those most likely to be in a position to export the computer in question. Should there be a policy aimed at foreclosing the export of any item which has a dual use? Should any item be barred which could conceivably find its way into a facility which could be used in developing nuclear explosives? This is no simple question, and there are no simple answers. Clearly, for example, a blanket export prohibition might prevent the construction of a perfectly respectable, indeed vitally necessary, chemical plant in a developing country. But by the same token, the potential dangers cannot be ignored.

If we can have confidence that the intended use of that mythical computer is not related to the manufacture of nuclear explosives, the question is clearly much easier to answer. But how can the requesting nation generate that confidence? One clear answer would be by adhering to the Nuclear Non-Proliferation Treaty or, in the case of Latin American countries, by accepting and agreeing to be bound by the Treaty of

Tlatelolco. The voluntary acceptance of IAEA [International Atomic Energy Agency] safeguards on all of a country's nuclear facilities and activities is yet another way to generate that needed confidence.

Let me elaborate. In order to manufacture nuclear explosives, a nation needs two things: first, the know-how and technical backup. This means scientists, the necessary materials, and equipment. This is the technical side of the equation and, though the barriers remain considerable, more and more nations are coming to possess the technical wherewithal to cross those barriers.

Second is the political decision to "go nuclear." A nation must consciously make this hard decision, presumably because it sees some benefit to itself by doing so. This is the political ingredient. After all is said and done, the political ingredient is by far the more important. All the export controls that the suppliers can devise or the safeguards that the IAEA can implement cannot forever bar a country from acquiring nuclear explosives. A nation can, however, rule out "going nuclear" by an act of political will. It can turn its back on the development of nuclear weapons by adhering to the Nuclear Non-Proliferation Treaty and accepting safeguards on all its nuclear activities. One hundred and sixteen non-nuclear-weapons states so far have done just that. Where such regional treaties such as the Treaty of Tlatelolco exist, adherence to them can serve the same goal.

But there is more to it than a simple signature on a treaty. The best way for a nation to demonstrate its *bona fides*—the most graphic way—is to accept safeguards in spirit as well as in the letter. It is unseemly for nations to haggle about the niceties of safeguards—whether a given action or a particular technical change is within the writ of a particular IAEA safeguards agreement. Instead of a preoccupation with the precise legal letter of safeguards—as distinguished from the spirit of safeguards, a preoccupation with form over substance—all nations should work to strengthen the IAEA safeguards system and help it to perform its vital task.

Only such a cooperative attitude can provide the proper basis for nuclear commerce. Without it, that mutual trust and confidence, which is essential if we are to continue to be able to use nuclear

energy for peaceful purposes, will be lacking. For after we strip away all the verbiage, it comes down to this: trust has to be the predicate for all nuclear commerce. The exporting nation must have confidence that the materials it exports will not be turned into devices of war and destruction. Recipient nations must have confidence that, having demonstrated by word and deed their own *bona fides*, they can get the help they need to realize the atom's peaceful promise.

Many means are at hand, as I have suggested, for building that confidence for both suppliers and recipients. The Nuclear Non-Proliferation Treaty is there, and the relatively few nations which have not adhered to date could join at any time. For the countries of Latin America, the Treaty of Tlatelolco waits to be embraced. The IAEA is there ready, willing, and able to apply safeguards to all facilities not yet covered.

Our plea to the nations which have not yet done so is to make a formal, public commitment to peace and to demonstrate that commitment by joining the overwhelming majority of nations in the world in accepting the obligations of these precedent-shattering treaties.

How strongly do we feel about this? Very strongly, indeed. President Reagan in his Los Angeles address on March 31 of this year put it this way:

For arms control to be truly complete and world security strengthened . . . we must also increase our efforts to halt the spread of nuclear arms. Every country that values a peaceful world order must play its part. Our allies, as important nuclear exporters, also have a very important responsibility to prevent the spread of nuclear arms. To advance this goal, we should all adopt comprehensive safeguards as a condition for nuclear supply commitments that we make in the future.

Conclusion

Why are we pursuing this initiative? What do we hope to accomplish? That brings me full circle, back to my beginning. Our goal is to strengthen the international nonproliferation regime which

we have struggled together to erect over the last four decades. We want to put into place a set of norms and standards with which everyone agrees—a set of norms which, in effect, will be the rules of conduct, honored by supplier nations and receiving nations alike. President Reagan's call for comprehensive safeguards is one more step in perfecting this regime. We want to prevent the spread of nuclear weapons around the world because we think that spread would be dangerous to the security of every nation on earth. Nuclear energy has much to offer the peoples of the world—for power, for medicine, for agriculture, for industry. But, to realize

that promise, we must control the threat of nuclear proliferation.

We need not, we must not, despair that the task is too great or that chances of success are too small. We have a solid base of experience to build upon. And we have a growing awareness that the cost of failure can be enormous. It is a challenge to all and a challenge which all must pursue. As President Reagan said, "Every country that values a peaceful world must play its part."

*FORATOM represents the atomic trade associations of 14 West European countries. ■

Visit of Australian Prime Minister



(White House photo by Pete Souza)

Prime Minister Robert J.L. Hawke of Australia made an official working visit to Washington, D.C., June 11-15, 1983, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and Prime Minister Hawke after their meeting on June 13.¹

President Reagan

I'm delighted that Prime Minister Bob Hawke has been able to come to Washington so early in his administration.

We've had a productive session, reviewing bilateral issues as well as world developments. And, more importantly, we've had a chance to put our

relationship on a personal basis. We find we have much in common, but that's no surprise between friends and allies. The bonds between our two nations are longstanding. Our ties are a precious tradition, reflecting our many concerns and shared values.

Australia is a great nation that plays a vital role in regional and world affairs. It's a key ally upon whom we can count. Ours is an alliance of trust and friendship. I'm grateful for the good will expressed by Prime Minister Hawke today, and I welcome his wise counsel. I've been looking forward to getting to know him. And it was our first meeting, but certainly not our last. We will be in frequent contact in the future. And I wish the Prime Minister and all Australians the best of luck. And, again, welcome.

Prime Minister Hawke

I join with you in expressing the appreciation that I have for having placed the relationship between our two countries now in terms of a personal meeting between us.

I, like you, have been looking forward to this meeting. I have been able to convey to you, and through you to the people of the United States, the fundamental importance that we in the new Labor government attach to the relationship with the United States.

I was able to remind the President that it was a Labor government during the last war which fundamentally reoriented the international relationship of Australia toward that alliance with the United States. It was an alliance which served us well, the United States and Australia, during that war. And in the period since the war, that relationship, in general and particularly in terms of the ANZUS [Australia, New Zealand, United States pact] treaty relationship, has continued to serve both our countries well.

There is no country, I have suggested to the President, that this country will be able to rely on more as a constructive ally than Australia. It will be a relationship of deep friendship and, as is befitting between people and nations who are friends, it will be one, at times, where there may be differences of emphasis in our perceptions of particular issues. Those differences, if they exist, will be honestly and directly expressed but will in no way diminish the fundamental depth of the relationship between our two countries.

I appreciate the opportunity that I have had to discuss with the President matters of immediate bilateral importance to us, matters of concern in the immediate region of Australia, and issues of global consideration. And we have found in all those areas an identity of interest. I have expressed to the President, as he has to me, our firm intention on both our parts to ensure that the relationship, which has been strong

and productive in the past, will continue to be even more so in the future. And that will reflect the relations between our countries and what is now a firm, personal relationship between the President of the United States and myself as Prime Minister of Australia.

¹Text from Weekly Compilation of Presidential Documents of June 20, 1983. ■

Micronesia Approves Free Association With U.S.

Unofficial results of the June 21, 1983, plebiscite in the Federated States of Micronesia (FSM) represent a significant victory for the compact of free association. In the yes-or-no vote, the citizens of the FSM approved the compact by more than 75%. The compact was approved by three of the FSM's four states as required under the FSM Constitution.

Under the compact and its subsidiary agreements, negotiated over a 14-year period, the FSM will be fully responsible for internal and foreign affairs, while the United States will provide economic assistance and will assume the obligation and authority to defend the island nation.

The voters of the FSM were asked other questions on the plebiscite ballot, including the political status they would prefer if free association were not approved. The voters were asked to choose either a relationship with the United States closer than free association or independence. Early returns indicate a preference for independence over a closer relationship with the United States; however, this will be moot given the overwhelming vote for free association.

The Government of the FSM mounted an intensive and thorough public education program in advance of the plebiscite. That program, which started more than 5 months before the vote, included translation of all the pertinent documents, radio and television programs and debates, town hall meetings, and village discussions. Official observers from the U.N. Trusteeship Council traveled to the FSM to observe the final days of the education program, the voting, and the tabulation of ballots.

The FSM is one of the three states of the Trust Territory of the Pacific Islands to conduct plebiscites on the compact. Palau approved the compact by a 62% majority in a February 10, 1983, plebiscite, and the United States and the Marshall Islands have recently announced September 7 as the date of the last plebiscite in the trust territory.

The Northern Mariana Islands, a fourth political jurisdiction in the trust territory, voted in 1975 to become a commonwealth of the United States. Under this arrangement, the people of the northern Mariana Islands will become U.S. citizens when the trusteeship ends. All four political jurisdictions of the trust territory have locally elected constitutional governments.

The compact defines the relationship between the United States and the new Micronesian states, as well as their international political status after the trusteeship is terminated. Now that the people of the FSM have approved the compact, it must be approved according to their constitutional processes and receive majority approval in both Houses of the U.S. Congress.

The United States has administered the Trust Territory of the Pacific Islands since 1947 under a trusteeship agreement with the United Nations. The FSM consists of the island states of Yap, Truk, Ponape, and Kosrae. The FSM and the other island groups of the trust territory were administered by Japan under a League of Nations mandate after World War I. The United States liberated the islands from Japanese occupation during the last years of World War II. Today the island states of the FSM, marked by their

spectacular beauty and their unusually rich and diverse marine ecology, are preparing themselves for future economic development. Fishing, agriculture, and tourism are expected to contribute to this growth. The compact of free association contains incentives

for investment, trade, and business development and also guarantees economic development assistance from the United States.

Press release 237 of June 28, 1983. ■

U.S.-Marshall Islands Call Plebiscite

The Governments of the United States and of the Marshall Islands have announced September 7, 1983, as the date for a plebiscite on political status in the Marshall Islands. The plebiscite will be an act of self-determination by the people of the Marshall Islands and, together with earlier plebiscites in the Republic of Palau and the Federated States of Micronesia—components of the U.S.-administered Trust Territory of the Pacific Islands—clears the way for bringing the last U.N. trusteeship to a close.

The voters of the Marshall Islands will be asked whether they approve or disapprove a compact of free association and a number of agreements subsidiary to it, all of which have been signed by representatives of the two governments—Ambassador Fred M. Zeder, Personal Representative of the President of the United States for Micronesian Status Negotiations and the Honorable Amata Kabua, President of the Marshall Islands.

In addition to addressing the question of free association in the plebiscite, voters will be asked to state their preference for an alternative political status to be negotiated with the United States in the event that free association is not approved. The choices will be independence or a continuing relationship with the United States other than free association, and the voter will be given the further opportunity to describe that relationship.

The United States and the Marshall Islands agreed to call the plebiscite

jointly, and an announcement of the date was made on June 25 in Majuro, capital of the Marshall Islands, by Ambassador Zeder and President Kabua. Included in the announcement was a statement that the two governments had reached agreement on a comprehensive settlement of all claims brought by the inhabitants of Bikini, Enewetak, Rongelap, and Utirik arising out of the U.S. nuclear testing program in the Marshall Islands from 1946 to 1958.

At the request of the United States, the U.N. Trusteeship Council agreed on December 20, 1982, to organize a series of observer missions to witness the plebiscites in the Marshall Islands and in two other jurisdictions of the Trust Territory of the Pacific Islands. The first such mission observed a plebiscite in the Republic of Palau on February 10, 1983, and the second observed the June 21 plebiscite in the Federated States of Micronesia. The compact of free association with the United States was approved in both votes, by over 62% in Palau and by approximately 75% in the Federated States. Another UN observer mission will travel to the Marshall Islands in time to observe the education program, the voting, and the counting of the ballots. The education program in the Marshall Islands is being conducted by a commission established by the Marshall Islands Government.

The announcement of a plebiscite on political status represents the completion of more than a decade of negotiations.

Press release 238 of June 28, 1983. ■

U.S. Population Policy and the United Nations

by Richard Elliot Benedick

Excerpts from a statement before the UN Development Program Governing Council on the UN Fund for Population Activities (UNFPA) in New York on June 20, 1983. Ambassador Benedick is Coordinator of Population Affairs.

Two years ago, at the 28th session of this governing council, I compared the current world phenomenon of population growth to falling snow—a gradual and seemingly imperceptible accumulation which only attracts attention when the problem is in a very advanced stage and consequently very difficult to solve.

But 2 years ago, there were several million fewer people added to the world's population than will be added during this current year. Next year—and for many years thereafter—the increments will continue to rise.

Barring unforeseen events, most of the countries represented in this room will experience at least a doubling of their current population size within the next two generations—adding to and complicating already well-known problems of food supply, health, resource scarcity, pressure on the environment, unemployment, migration, and frustration of aspirations for a better life.

This is the reality which must deeply influence our deliberations at this meeting.

A more encouraging development in recent years has been the nearly universal recognition, by the leaders of the Third World countries most affected by this condition, that something has to be done to limit the continuing rapid rise in population—in order for these countries to make effective use of domestic investment and external assistance and thereby make meaningful progress toward attaining a better quality of life for their citizens. Symbolic of this significant change in attitude and policy is the Continent of Africa, which now and for the foreseeable future will have the world's highest population growth rate. A survey this spring undertaken by U.S. Embassies in Africa revealed that almost everywhere on this continent significant changes in attitudes are under-

way. This greater recognition of the dangers of continued rapid growth in population has also been noted by observers from the UNFPA and the World Bank. . . .

Against this background, the role of the UNFPA is particularly critical, as the world's largest multilateral agency dedicated to bridging the gap between recognition of the population problem and effective measures to address it in an effective and yet humane way. Two years ago, this council decided upon UNFPA's prospective role for the decade of the 1980s: South and North united in an historic reorientation of UNFPA's priorities, recognizing the urgent need to reduce birth rates and provide family planning services and education to the growing millions of people who need this help.

The United States wishes to commend Executive Director Rafael Salas and the UNFPA for the responsiveness and sensitivity with which this institution is responding to the wishes of this council and the needs of the countries which it serves. . . . Especially during a time of resource constraint, UNFPA's management deserves the appreciation of this council for their candid and realistic approach toward future planning. . . .

Enormous logistical difficulties still stand in the way of extension of these services to the people and communities who need them. The United States would like, in this context, to offer some observations on specific aspects of UNFPA's activities.

In order more effectively to meet the recognized priority needs, those UN executing agencies which spend most of the funds approved by this council must design their programs and projects in greater conformity with the mandates of this council—namely, the priority for family planning and related activities. The United States intends to pursue this matter in the governing bodies of other UN agencies, and we urge UNFPA and member governments represented here to do the same. . . .

In the experience of the United States in administering the world's largest population assistance programs for many years, we have found a

tremendous vitality in the private sector. Voluntary family planning and population programs are most effective when they involve the active participation of the people through creative projects at community level, commercial retail sales of contraceptives, and the like. We believe that the energy and creativity of nongovernmental organizations can and should be more effectively harnessed by UNFPA, and we note with concern that both the amount and percentage of UNFPA funding through such organizations declined between 1981 and 1982. We urge that this trend be reversed. . . .

The need for safer, better, and more acceptable methods of fertility regulation continues to grow more urgent. This was the message of an international conference of science policymakers and researchers convened in Stockholm, Sweden, in February of this year. The governing council last year stressed that research on contraceptives is "crucial" to the attainment of the fund's objectives. . . .

The United States recommends that this council direct UNFPA to adopt a "holistic" approach to biomedical research funding, in recognition of the multiplicity of effective international programs and networks active in such research. In this connection, I might cite the recent entry into this field of a UNESCO-associated agency, the International Organization for Chemistry in Development, which includes among its directors a number of distinguished scientists, including the Swedish Nobel-laureate, Dr. Sune Bergstrom, who directed the outstanding report on contraceptive research produced last year for this council. In addition, there are many other research organizations, which merit support in their efforts to find better contraceptives, including the International Committee for Contraceptive Research, the Program for Applied Research in Fertility Regulation, the WHO Special Program of Research in Human Reproduction, Family Health International, the Program for the Introduction and Adaptation of Contraceptive Technology, and the Medical Research Councils of numerous individual countries. The United States is supporting many of these organizations; we also have bilateral agreements for cooperative research in human reproduction with India, China, and most recently, Italy, and we are discussing similar arrangements with several other countries. This is a field which deserves increasing priority by UNFPA and the international community.

Refugees: A Continuing Concern

by James N. Purcell, Jr.

*Statement before the Subcommittee on Immigration and Refugee Policy of the Senate Judiciary Committee on June 20, 1983. Mr. Purcell is Director of the Bureau of Refugee Programs.*¹

In conclusion, I would like to stress the continued strong commitment of the U.S. Government, both the executive branch and the Congress, to be responsive to requests from developing countries for assistance to their population programs—through our bilateral programs, through private organizations, and through the excellent work of the UNFPA. This Administration has reaffirmed that population concerns are an essential element of our development aid strategy. Even under conditions of extreme budgetary stringency, the high priority of this subject is reflected in the continuing increases in U.S. aid and research funding.

We have placed particular emphasis in designing policies and programs that are sensitive to local cultural and religious traditions. The United States will support only voluntary family planning activities. We strongly oppose any coercion in population programs, and we believe equally strongly that couples should be offered freedom to choose among a variety of ways of planning their family size, including various medically approved as well as the natural family planning (periodic abstinence) methods.

Thus, the United States believes in enlightened population policies, aiming ultimately at improvements in the quality of life of mothers and children and of future generations. We believe that such policies and programs can be fully consistent with the values of human dignity and stability of the family which we cherish.

We are pleased to be associated with an organization like the UNFPA in pursuit of these important goals, and we look forward to working together with UNFPA and with other governments in making the 1984 International Conference on Population in Mexico City a true landmark on the road of human and national development. ■

When the Refugee Act of 1980 was adopted nearly 3 years ago, it was hailed as landmark legislation representing a new era in America's commitment to refugees. Although the United States had long been recognized as a leader in world efforts to assist and protect those fleeing their countries to escape persecution, our domestic legislation on the subject had not previously dealt with refugees in a comprehensive and principled manner. The Refugee Act of 1980 changed that, and it is a tribute to this subcommittee and committee that the act has been so widely praised for its statesmanship and adherence to internationally recognized standards.

It will be recalled that in previous decades, although the United States had been generous in admitting refugees—Hungarians in 1956, Cubans and Czechoslovakians in the 1960s, Indochinese following the fall of Vietnam in 1975—these programs were carried out under what came to be recognized as a stretched application of humanitarian parole. What had been intended to aid individual refugees had come to serve as a means to admit large groups totaling in the many thousands.

What the process lacked in legal elegance, it made up in serviceability. Consultations took place with congressional committees, often at short notice, and decisions were reached providing a specified number of admissions for a particular group or class of refugees. For the groups covered by the paroles, it can be said that the system worked, sometimes with such swiftness that it led to the arrival in our country of large numbers of refugees with only brief examinations overseas and with limited preparation by the private voluntary agencies that then and now play such vital roles in our refugee programs.

By the late 1970s, the group parole system became increasingly perceived as inadequate to the realities of the modern world. Refugees were appearing in larger numbers, more frequently, in

more places. Although there continued to be major refugee exoduses from communist-dominated lands—from Indochina after 1975, from Afghanistan following the Soviet invasion, and in the Horn of Africa—there were also growing numbers of refugees in areas away from the periphery of the communist states. The previous system, which amounted to an ad hoc selection among potential refugee groups, was seen as no longer responsive to the requirements of the new situation. Spurred by the need to cope with the tide of boat people from Vietnam, the Congress and the Administration worked together toward the new definition and procedures embodied in the Refugee Act of 1980.

The Definition of "Refugee"

The centerpiece of the act is its definition of a refugee.² There was little dispute that the definition to be adopted by the United States should be consistent with the international standard contained in the 1951 Refugee Convention and its 1967 protocol (which eliminated the time limitation and the geographical restriction by which the convention applied only to Europe). In the intervening years, some 92 countries, including the United States, have become parties to the convention or its protocol, reflecting a general perception in virtually all regions of the world that the international definition properly identifies the class of persons in distress who merit the special protection and assistance that the international community has established for refugees.

Because the word "refugees" is often used loosely to describe people in various kinds of difficulty, it is sometimes made more precise by reference to "convention" or "protocol" refugees. For example, in recent months we have seen the word "refugees" applied to such persons as West Africans returning to their home countries after being expelled by Nigeria as illegal immigrants, to Africans seeking new sources of food in the face of drought, even to residents of our own western states forced to evacuate their homes during spring floods.

What the international definition provides is a recognition that refugees, in the legal sense, form a distinguishable category of persons in need. A body of

law, practice, and programs has grown up around this concept, with the result that helping refugees has taken on a status, even a stature, that defines it and separates it from programs to relieve other areas of human suffering. It has been said that the UN High Commissioner for Refugees should not be considered "the high commissioner for all good causes," a statement that recognizes that refugees are not the only persons in need, even as it emphasizes their special status.

So it is refugees, in this internationally established legal sense, to which we address ourselves in this hearing, and who are the subject of the definition in the Refugee Act. Although there may be disagreement about the manner in which the refugee definition is applied in individual cases or to certain groups, it is our conclusion that the definition has proved its usefulness in practice. It has served us well, and we see no gain in attempting to modify it.

Previous testimony has dealt with suggestions that the definition be narrowed, but it should be recognized that the more common assertion that we face in the management of our programs is that the definition should be broadened to cover individuals or groups who are not now qualified for refugee status.

One such broadening of the definition would have it apply to persons forced to leave their home countries because of foreign occupation or civil strife—a formulation contained in the African refugee convention adopted in 1969 by the Organization of African Unity (OAU). Although this definition has been accepted and applied in a number of refugee situations in Africa, this says more about the traditions of hospitality of the African states than about the desirability of extending this formulation to other areas of the world. In Southeast Asia, for example, we have observed the opposite tendency: a consistent refusal by states of the area to offer safe haven to refugees except on a temporary basis, and then only with guarantees that refugees will be moved elsewhere for permanent resettlement.

By contrast, at the African refugee conference in 1979, President Julius Nyerere of the host country, Tanzania, in his keynote statement said of Africa: "We welcome the refugees, we give them our space." Such a generous approach reflects the communality of Africa, which has made possible the resettlement within the region of many

thousands of refugees. However, we do not believe such a broad definition should be considered for U.S. admissions purposes.

Another broadening of the definition would have it cover "economic refugees" on the ground that persons deprived of a decent livelihood by oppressive economic conditions should have as much right to international protection and assistance as refugees from political or religious persecution. The problem with such an expansion of the definition is that it would encompass a major part of the world's population—those who live in the majority of countries classified as impoverished or underdeveloped. Western nations have recognized a responsibility to assist in the modernization and economic development of the Third World by means of various forms of trade and assistance, private and public. But a readiness to assist in improving the living conditions of the poor majority does not carry with it an obligation to treat them all as refugees. Among those concerned with international refugee problems there has been little inclination to broaden the definition in this direction.

Admissions Criteria

It should be emphasized that the definition of a refugee, in international law and in the Refugee Act, provides the framework for international protection and assistance but does not of itself define the terms a government may set

process which was mandated in law by the Refugee Act of 1980.

Although the United States employs the definition as part of the process through which refugees are considered for admission, the definition does not tell us how many refugees shall be admitted or from which groups or regions the refugees shall be drawn. Those determinations remain, for us as for the other nations accepting refugees for international resettlement, a subject governed by national interest and foreign policy as well as humanitarian considerations.

Resettlement countries have their own procedures for deciding which refugees to admit, and in what number. Some countries give priority to those with whom they have family or other ties. For example, many of the Indo-chinese accepted by France had prior associations with that country. Other governments, including the United States, also look for such ties and tend to honor them in the context of a refugee program.

Some countries with smaller programs, such as Switzerland and the Scandinavian countries, have special programs to admit handicapped refugees, thus helping relieve what are often especially compelling humanitarian problems.

Where some other countries differ from the United States in their selection of refugees is in the application of standards of professional qualifications, language skills, education—sometimes

In our implementation of the Refugee Act, we have established a prescreening process aimed at selecting refugees for the purpose of admission on the basis of "priorities" which take account of the immediacy of a refugee's plight and the relatives in, or other ties a refugee may have to, the United States.

for the admission of refugees into its territory for permanent resettlement. This committee is, of course, familiar with the procedures followed by the United States in determining how many and which refugees we will admit each year. The regular consultations and the annual ceilings are at the heart of the

summed up with the phrase "selection for quality"—with the selection carried out by immigration officials with relatively broad discretion to evaluate such "quality" attributes.

The United States has looked for more objective criteria to determine which refugees to accept for admission.

REFUGEES

During the period of group paroles, this tended to amount to accepting all refugee applicants within a given group or category until the numbers were exhausted. In our implementation of the Refugee Act, we have established a pre-screening process aimed at selecting refugees for the purpose of admission on the basis of "priorities" which take account of the immediacy of a refugee's plight and the relatives in, or other ties a refugee may have to, the United States. The priorities represent a considered effort on the part of the U.S. Government to state in an objective manner the principles to be followed in deciding which refugees to admit.

There is a threshold question before the assignment of priorities is reached, and that is to determine that the persons to be considered are in fact refugees. On this issue, the definition in the Refugee Act has provided the scope to cover a wide range of refugee situations of interest to the United States and the precision needed to make possible equitable decisions in individual cases. We believe it should be maintained in its current form.

In addition to applying the priorities and the refugee definition, it is our policy that refugees who have a firm offer of resettlement elsewhere will not be considered for admission to the United States. There are exceptions, such as individuals who may have family ties both in the United States and elsewhere, with the stronger connection, however, to the United States; and Soviet Jews for whom a visa to Israel is the necessary condition of departure from the U.S.S.R., even though the individuals have relatives or other ties supporting their intention to come to the United States. The general policy, however, is not to consider refugees for the United States if they have a firm offer of resettlement elsewhere.

Administering the Program Fairly

In our application of the definition and the priorities, we have sought to achieve fairness as well as humaneness. The United States cannot accept all deserving refugees. We can, however, strive to make our program as equitable as possible, without losing sight of other considerations of national interest and foreign policy. In most cases this means that we are able to apply our priorities with consistency within each geographic region and on a worldwide basis. Where such an equal application leads to un-

equal results, however, and in particular when it leads to results at variance with the projections provided in the consultations with the Congress, we must adjust the application of the priorities accordingly. We have kept the Congress informed of such adjustments.

The effectiveness of a program can be seen in terms of its results, and we believe the admissions criteria that have been employed under the Refugee Act have produced a balanced program that has been responsive to our foreign policy and humanitarian concerns and to the requirements of our domestic situation.

During the past year, we have taken a series of actions, in cooperation with the U.S. Coordinator and the Departments of Justice and Health and Human Services, aimed at improving procedures for the successful integration of refugees in our communities and cities. Our goal has been a program that ensures that all refugees admitted to the United States should have a positive start on the road to self-sufficiency through employment as productive members of our society.

The programs we have instituted come during a period in which the number of refugees arriving in the United States has been substantially reduced from previous years. Responding to the clearly stated views of this committee and its counterpart in the House of Representatives, we have operated well within the ceilings set during last fall's consultations. Against an overall ceiling of 90,000, we expect the total number of arrivals this year to be in the 60,000-65,000 range.

Our tentative region-by-region projections for FY 1983 are as follows:

- Africa: 3,000 admissions (3,000 ceiling);
- East Asia: 38,000-40,000 admissions (64,000 ceiling);
- Eastern Europe and the Soviet Union: 15,000 admissions (15,000 ceiling);
- Latin America and the Caribbean: 600-800 admissions (2,000 ceiling); and
- Near East and South Asia: 5,500 admissions (6,000 ceiling).

As can be seen, Indochinese admissions account for the largest part of the reductions below the ceiling. To some extent, this results from the expansion of our English language training and cultural orientation programs. At the end of FY 1983, there will be 13,000 Indochinese undergoing or completing 4-6 months of training in the refugee processing centers and another 2,000-3,000 waiting to be placed in classes. These

are refugees approved by the Immigration and Naturalization Service (INS) in FY 1983 who will enter the United States in FY 1984.

The lower admissions totals in Southeast Asia provide for the possible release of "re-education" camp prisoners from Vietnam, many of whom would undoubtedly deserve a high priority for admission to the United States, and for additional Vietnamese-American children and their mothers and other immediate relatives. Although all of these numbers may not be used in FY 1983, we must continue to be prepared to consider these groups for admission in future years.

This has been a year in which we have been able to "manage down" our admissions program, in that we have taken advantage of the reduced numbers to achieve improvements in the way refugees are processed overseas and in their reception and placement in the United States, in the following areas:

- Steps to regularize the flow of refugees from overseas and to provide more information on arriving refugees to voluntary agencies and state refugee coordinators;
- Improvements in the medical diagnosis and treatment of refugees before they enter the United States;
- Expansion of English-as-a-Second-Language/Cultural Orientation (ESL/CO) overseas programs;
- Improvements in the reception and placement program and in our monitoring of the voluntary agencies; and
- Actions to implement the Refugee Assistance amendments of 1982.

Actions to Regularize the Flow of Refugees

One of the basic responsibilities of the Bureau for Refugee Programs, in coordination with the INS, is to determine the allocations of admissions numbers and schedules for processing refugees throughout the year. Our actions on this subject flow directly from the congressional consultations and the President's determination of refugee admissions ceilings for each geographic area.

Once the numbers are set, the bureau's Office of Refugee Admissions breaks down the regional ceilings by quarters and makes suballocations in accordance with the consultations. There is periodic monitoring to assure that the flow is controlled to the most even and consistent extent possible, on a monthly as well as quarterly basis, with the aim

of ensuring an orderly flow of refugees throughout the year.

Such a smoothing out of the processing cycle is not always easy to achieve. Refugees do not present themselves in an orderly flow: by their nature they tend to arrive in waves, the result of political or other factors beyond their or our control. Preservation of first asylum and the legal protection of refugees are the first priority for the UN High Commissioner for Refugees, in which our and other third-country resettlement programs play vital roles. In some cases, refugee processing posts are visited only at intervals by INS officers. Our increased emphasis on ESL/CO means that larger groups of refugees will be in training courses with fixed starting and ending dates.

Despite the occasional unavoidable "bunching" of refugee arrivals, we have been able to achieve a substantially smoother flow, a pattern we expect to be able to continue into the future. The period of ESL/CO training affords time for advance information to reach the voluntary agencies and state refugee coordinators and makes possible a more orderly placement of refugees to reduce concentrations in areas of high impact.

Improvements in Medical Diagnosis and Treatment

All refugees who are being considered for admissions to the United States must meet the medical grounds of eligibility as provided in the Immigration and Nationality Act. No refugee is admitted who has a dangerous, contagious disease. (Waivers are granted for special humanitarian reasons, such as a need for treatment at a U.S. hospital.) Effective December 1, 1982, the following additional steps were instituted in the diagnosis and medical treatment of Indochinese refugees:

- All Indochinese refugees from age two upward receive X-ray examinations;
- All Indochinese refugees who have active, noninfectious tuberculosis, must complete a 6-month regimen of drugs prior to entry into the United States. This 6-month treatment is sufficient to complete TB treatment prior to entry. If needed, such treatment and other medical care are provided at the refugee processing centers in conjunction with ESL/CO training; and
- Pregnant women and unaccompanied minors destined for foster homes in the United States are given a hepa-

titis B vaccine prior to entry if the medical examination reveals the presence of the hepatitis B antigen in their system.

Plans are underway to provide better dental treatment for Indochinese refugees prior to their entry into the United States and to provide eye-care and glasses, where needed. The Department hopes that in the coming year similar improvements in the medical treatment of refugees from other areas of the world will be implemented.

ESL/CO

Within the limits of current capacity, all Indochinese refugees who are potential wage earners between the ages of 16 and 55 are required to participate in ESL/CO training as a condition of resettlement. Each student receives a minimum of 14 weeks of instruction, which includes 216 hours of English language training and 100 hours of cultural orientation. An additional 6 weeks is provided for beginning students.

Approximately 84%–88% of all age-eligible refugees from Indochina will receive such training during this fiscal year. Some 20,000 students will be graduated from these programs by the end of September 1983. We have also established ESL/CO programs for Ethiopian refugees in the Sudan and cultural orientation for East European refugees in Europe.

Last year, the Bureau for Refugee Programs contracted with an independent research corporation to study the impact of overseas training on domestic resettlement. The preliminary report, which resulted from visits to the overseas training sites, confirms the results of entry and exit tests conducted in all camps by the Center for Applied Linguistics in cooperation with the Educational Testing Service, which clearly show that students at all levels are making significant progress in both English language skills and cultural orientation.

The second phase of the independent tracking study, which will compare the resettlement experience of trained and untrained refugees, is not yet complete. We do, however, have preliminary data which indicate that trained refugees enter the United States better able to cope successfully with American society than those who did not participate in training. This is particularly encouraging since the untrained refugees tested thus

far include many refugees who had studied English for some years before entering this country. Preliminary data also point to positive evaluations of ESL/CO-trained refugees by service providers and voluntary agencies.

A final report on the domestic tracking study will be made available to the Congress as soon as it is completed.

Reception and Placement Programs and Voluntary Agency Monitoring

In the spring of 1982, the bureau established the Office of Reception and Placement. Its responsibilities include managing the reception and placement cooperative agreements, monitoring the voluntary agencies' activities under the terms of these agreements, serving as liaison with the domestic community, and assisting in the coordination of the international and domestic aspects of the program.

The first major assignment of that office was to establish a systematic monitoring program of the voluntary agencies. To date, five onsite reviews have taken place in areas of heavy refugee resettlement—Arlington, Boston, Seattle, Los Angeles, and New York. A team of two officers has just returned from the two states which participate in reception and placement—Iowa and Idaho—and we are scheduling a monitoring trip to Texas in late July. We have also carried out followup reviews in three areas.

Once a review is completed—these customarily take about 2 full weeks per site—we brief the voluntary agencies on our observations and recommended actions. We have found a number of positive things going on through the agencies, particularly the continuing contribution of the private sector to resettlement. This does not necessarily translate into a church or American family serving as a sponsor for each incoming refugee. Improving the quality of sponsorship is an area which deserves and will receive our attention in the weeks ahead.

Private contributions are, nonetheless, significant and take many forms: donation of lawyers' time to advise refugees; volunteers teaching English as a second language; someone devoting a Saturday morning to teaching refugees to drive; donations of money, clothing, food; American friends helping out without assuming full sponsorship; and so on. We believe that the American public

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does still give of itself to this program and that a reserve of good will is there for the long run.

We have also found that many of the voluntary agencies have unilaterally improved their management practices. Some have developed strong monitoring programs by their headquarters and by the regional offices of their local affiliates, some have established systems to communicate more effectively with their affiliates, and some have instituted better recordkeeping practices, for example.

Clearly, however, there are areas which need improvement. Problem areas which emerged at various affiliates concerned the documentation of services rendered to refugees, lack of contact and assistance to refugees for the full 90-day period, service provision stretched thin because of reduced staff due to fewer new arrivals, lack of continuing aggressive posture toward undue welfare usage, and placement of refugees in areas too far from an office to ensure proper supervision of services.

Our responses to these and other problems have taken several forms. Where a problem could be dealt with at the local or national agency level, we have requested corrective actions and conducted return visits to determine if the appropriate changes have been made. Where a problem is broader and needs to be more clearly formulated in policy, we have dealt with it through our contractual documents—the agency proposals and the cooperative agreement.

In 1983, the bureau, for the first time, requested written proposals from the voluntary agencies, pursuant to provisions of the Refugee Act of 1980. We indicated that each proposal should include information on, among other things, the voluntary agency's organizational network, its sponsorship arrangements, how it attempts to reduce reliance on welfare, how it assures that core services are provided, the extent of its consultation and cooperation with state and local governments, and its ability to tap the private sector.

In 1983, the bureau also extensively modified the cooperative agreement. The changes were based on observations from the monitoring discussed earlier, the Refugee Assistance amendments of 1982, comments from the voluntary agencies, and suggestions from the Department of Health and Human Services and state refugee coordinators. The new agreement, effective May 1, 1983, further emphasizes our commitment to

refugee self-sufficiency, early employment, and case management; includes language on placement policy; requires close cooperation with welfare departments; and strengthens and clarifies the language relating to refugee health. The proposals and the cooperative agreement together serve as the basis for our relationship with the agencies, whereas in the past, the agreement alone served this purpose.

Refugee Assistance Amendments

The Refugee Assistance amendments of 1982 contained a number of areas with implications for our reception and placement program. Through the new cooperative agreement and the proposal process, we have responded to the requirements relating to employment, domestic consultations, placement policy, expenditure of funds, contact with welfare offices, and medical care for newly arrived refugees.

The amendments require that employable refugees be placed in jobs as soon as possible after their arrival in the United States. We asked each agency for a description of its policy toward refugee employment and self-sufficiency, the practices employed in support of the policy, and demonstrated results. Our

proposal review also covered the voluntary agency's policy toward welfare dependence as translated into practice. We included language in the cooperative agreement relating to early employment and welfare dependency and will monitor for compliance in these central areas.

To implement the consultation provision of the amendments, specifically that local voluntary agency activities should be conducted in close cooperation and advance consultation with state and local governments, we have asked each agency for its plans for consultation and coordination with other actors in resettlement and have included requirements on this subject in the cooperative agreement. We also asked national voluntary agencies to have their local affiliates discuss the proposals and the cooperative agreement with interested state and local government officials, especially state refugee coordinators, as part of their "consultation activities," and required each voluntary agency to develop on a yearly basis a national overview and state-by-state description of its activities under reception and placement.

We have taken several actions to respond to the placement provisions of the amendments. We have included

Recent Soviet Actions in Afghanistan

DEPARTMENT STATEMENT, MAY 20, 1983¹

Numerous reliable reports continue to reach us from refugee and other sources of extremely heavy, brutal, and prolonged Soviet and Soviet-mandated bombing of civilian areas within Afghanistan in recent weeks, especially of areas around Herat, the country's third largest city, and north and west of Kabul.

These reports leave no room of doubt that casualties among the civilian population have been extremely heavy. It's not possible to measure precisely the extent of those casualties, but they certainly number many hundreds and are probably in the thousands.

Such a massive and ruthless assault on people who are, for the most part, without any means of defending themselves is intolerable by any standard of civilized behavior. It would appear that the Soviet Union believes that the world is either unaware of or no longer cares

about what it is doing in Afghanistan and that in its desperation to subdue the spirit of the vast majority of Afghans who yearn for their nation's freedom, the Soviet Union is willing to employ any means, no matter how brutal.

The United States cannot stand silently by and witness this slaughter. The Soviet Union is aware of our strong concern. We call on it once more to desist from its heartless assault on a courageous and independent people and to seek urgently a solution to the crisis in Afghanistan which preserves human life and responds to the principles outlined in four successive resolutions by the UN General Assembly.

These call for the complete withdrawal of Soviet forces, self-determination for the Afghan people, an independent and nonaligned Afghanistan, and the return of the refugees in safety and with honor.

¹Read to news correspondents by Department spokesman John Hughes. ■

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language in the cooperative agreement specifying that refugees be assigned geographically in accordance with the placement policy and that voluntary agencies participate in meetings with state and local governments to plan and coordinate the appropriate placement of refugees in advance of their arrival. By August, we will expand the monthly city/state report sent to state refugee coordinators to include a refugee's name, age, sex, country of birth, occupational code, level of English training, sponsoring organization, placement code, and estimated date of arrival. This information will be provided immediately upon a sponsorship being assured and in some cases will be available several months before a refugee's arrival.

Regarding the requirement that funds provided to the voluntary agencies may only be obligated or expended during the fiscal year in which they are provided, since October 1982 our cooperative agreement has included language to the effect that funds shall be expended no later than 12 months following the end of the fiscal year in which they are funded, unless approved in writing by the bureau. The agreement further stipulates that unexpended funds remaining at the end of the specified period shall be returned to the bureau for deposit in the U.S. Treasury.

To respond to the provisions relating to contact between the voluntary agencies and welfare offices, the new cooperative agreement stipulates that the voluntary agencies provide notice to the appropriate county or other local welfare office at the time the agency becomes aware that a refugee has been offered employment, and inform the refugee that such notice has been provided. We also have specified that voluntary agencies must respond to contacts from a state or state agency relating to a refugee's application for and receipt of cash or medical assistance.

Finally, to implement the provision relating to medical care for a refugee with a condition affecting public health, after consulting with the Department of Health and Human Services, extensive changes regarding health have been added to the cooperative agreement. For refugees with conditions affecting public health, the voluntary agency is required to ensure that refugees report to the official public health agency within 7 days of arrival.

Conclusion

In conclusion, I join with my colleagues in expressing our support for the recommended extension of the Refugee Act of 1980. We believe it has worked in a practical and satisfactory manner. We will continue to consult with this committee on our application of the refugee definition and believe that any desired modifications in our admissions or resettlement practices can be accommodated within the framework of this important and now time-tested legislation.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

²Sec. 212(a)(42) of the Immigration and Naturalization Act, as amended 1980:

The term 'refugee' means (A) any person who is outside any country of such per-

son's nationality or, in the case of a person having no nationality, is outside any country in which such person last habitually resided, and who is unable or unwilling to return to, and is unable or unwilling to avail himself or herself of the protection of, that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion, or (B) in such special circumstances as the President after appropriate consultation (as defined in section 207(e) of this Act) may specify, any person who is within the country of such person's nationality or, in the case of a person having no nationality, within the country in which such person is habitually residing, and who is persecuted or who has a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion. The term 'refugee' does not include any person who ordered, incited, assisted, or otherwise participated in the persecution of any person on account of race, religion, nationality, membership in a particular social group, or political opinion. ■

Nicaragua

Following are statements by Ambassador Jeane J. Kirkpatrick, U.S. Permanent Representative to the United Nations, in the U.N. Security Council on May 9, 16, and 18, 1983, and the text of a resolution adopted on May 19.

STATEMENT, MAY 9, 1983¹

It is an extraordinary experience to hear the representative of Nicaragua's harsh dictatorship invoke the principle of non-intervention in internal affairs, the Charter of the United Nations and other international laws, and accuse the United States of invasion. It is an extraordinary experience to hear the representative of Nicaragua's harsh dictatorship speak of the rule of law, talk about American public opinion polls, quote American media and even American elected officials. I am especially struck by the invocation of the principle of non-intervention by Nicaragua's dictators. Since they have come to power, they have been busy fomenting war in the region, destroying the peace and the possibility of progress in El Salvador and Honduras and other neighboring states, forcing militarization on the region.

The United States does not invade small countries on its borders. We do not have 100,000 occupation troops in any country in the world, least of all on our borders. Our neighbors need have no such concerns. I thought, however, since the representative of Nicaragua has relied so heavily on American media this morning in his presentation to the Council, the record ought to be set straight. I thought I might have recourse as well to some American media concerning events in Central America and the respect which the Government of Nicaragua habitually shows to the principle of non-intervention in the affairs of its neighbors.

The current *Time* magazine, for example, has a very interesting article, which I recommend to the members of the Council. It is entitled, "How the Salvadoran Rebels Order Outside Help for Their Revolution." It begins by saying "... the building of a Nicaraguan arms link to El Salvador began almost as soon as the victorious revolutionaries took power in the Nicaraguan capital of Managua in July 1979." It has maps with arrows which describe supply routes—they're not quite as good as our government maps, but they're not bad. They are good enough so that the members of the Council can get a general impression about the regular flow of arms from Nicaragua through Honduras into El Salvador.

The article itself describes various

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arms infiltration routes. One, for example, it says "... hugged the Honduran Pacific coast between Nicaragua and El Salvador, then angled into the remote areas of El Salvador where Marxist rebels hold almost undisputed sway. U.S. analysts estimate that 15 to 20 such land routes exist across Honduras." One wonders about Honduras' right to be free of infiltration by its neighbors. The article goes on to say: "Other military shipments come in by air and sea. Sandinista smugglers have been known to move supplies directly across the 20-mile-wide Gulf of Fonseca. When the going is safe, the Nicaraguans make nighttime forays from the Pacific gulf port of Potosi aboard small fishing boats, equipped with false bottoms, or 50-foot frame canoes. That practice has now been curtailed because of the patrols of U.S. electronic surveillance ships in the area and the greater vigilance of the Salvadoran and Honduran navies." One can readily understand why neighbors engaging in such practices would not want any electronic surveillance in their region.

The article continues: "At night, the Jiquilisco region is also known as a favorite destination of arms-laden helicopters [from Nicaragua] and light fixed-wing aircraft. . . . An important alternative air route for the smugglers [from Nicaragua] is from the former British colony of Belize into Guatemala. After that, the rebels and their supplies filter south into Salvadoran rebel strongholds." Apparently the Government of Nicaragua has a bit of a problem respecting the right of the Government of Guatemala to be free of infiltration across its borders as well.

The article is very detailed. It sums up its point about the extent and detail of the supply route between Nicaragua and El Salvador with a line which it also uses for its title: "Like a Sears, Roebuck Catalogue." It says that rebels in El Salvador can order from Nicaragua whatever they need. One unit may say I need candles, boots, batteries, diarrhea medicine, bullets, and mortar rounds. If they don't get what they want, they complain. The fact that they complain shows they have a pipeline they think they can depend on.

The consequences, of course, of this gross violation of the principle of non-intervention in the life of neighboring states by the Government of Nicaragua is the destruction of peace in the region.

It is especially tragic for the society of El Salvador where the economy has been deliberately targeted and deliberately destroyed.

I pointed out not long ago in a discussion of this same issue that some 34 bridges and 145 electrical transmission towers had been destroyed in El Salvador last year, that some 18,000 Salvadorans had been put out of work by this destruction. The President of the United States spoke 2 weeks ago to the Congress and pointed out in his speech, and I quote: "Tonight in El Salvador—because of ruthless guerrilla attacks—much of the fertile land cannot be cultivated; less than half the rolling stock of the railways remains operational; bridges, water facilities, telephone and electric systems have been destroyed and damaged. In one 22-month period, there were 5,000 interruptions of electrical power; one region was without electricity for a third of a year." Thus the consequences for one of Nicaragua's neighbors of Nicaragua's respect for the principle of nonintervention.

The distinguished representative of the Government of Nicaragua has referred repeatedly to the debate now underway in the United States, among Americans, about what American policy should be with regard to the area. He is quite right, of course. There is a debate. And the debate is on the question of whether the United States should help the people of El Salvador and the people of Nicaragua to defeat the effort to impose upon them totalitarian dictatorships with the assistance and by means of arms filtered to them by a ruthless, international terrorist. There is a debate in the United States about whether the United States should leave small countries powerless, small peoples helpless, without defense against conquest by violent minorities trained and armed by remote dictators. Such a debate is underway in the United States. It is not complete, and we will continue that debate in our own way. We will continue it not by the method of lies but by the method of democracy.

The method of democracy relies on discussion. We will make our decision at the end of our debate, and we will make that decision by democratic means. We very much wish that the Government of Nicaragua would join us in such a democratic decision process. We very much wish that there could be debate in Nicaragua about the public policies of

that government. We very much wish that the people of Nicaragua, its journalists, its political leaders were free to make their arguments in public arenas, to discuss the question before that people, to criticize their government, to rise in legislative arenas and state their criticisms freely. We wish that the people of Nicaragua had the opportunity to be polled by honest and objective public opinion organizations. We wish that the people of Nicaragua had the opportunity to settle their discussions and decisions and debates by voting. We in the United States will live by the results of our democratic processes. We can wish nothing better for the people of Nicaragua than that they be given a comparable opportunity.

The relationship between the Government of Nicaragua and its people is, of course, at the heart of much of the discussion here. What is the nature of this problem? What is the nature of what the Nicaraguan representative calls an "American invasion"? Needless to say, there is no American invasion of Nicaragua. It is a fact that there is fighting in Nicaragua. It is a fact that there is very widespread unhappiness, indeed misery, in Nicaragua. It is a fact that the Government of Nicaragua has a problem. The nature of that problem is, of course, not international. The nature of that problem is national. Nicaragua's problem is with Nicaraguans. In Nicaragua today, Nicaraguans fight other Nicaraguans for the control of their country's destiny.

I thought since the representative of Nicaragua had brought to the attention of the Council so many items from the American press, I might impose on the Council a second item from yesterday's *Washington Post* which was referred to by the representative of Nicaragua. (Demonstrating the advantages of free discussion, by the way, you can find a lot of different kinds of evidence in our newspapers.) The item that I would like to bring to the attention of the Council is a column by Jack Anderson, who is a well-known liberal columnist in the United States, not a reliable supporter of the Administration that currently governs the United States.

The column is called "A Popular Force," and I would like to read from it briefly.

While Congress debates the Reagan administration's clandestine operations in Nicaragua, the American public is beset by conflicting information about exactly what is going on there. . . .

To get some reliable, firsthand answers to these crucial questions, I sent my associate, Jon Lee Anderson, to the troubled region. He has just returned from a week-long foray into northern Nicaragua with anti-Sandinista guerrillas. They belong to the Nicaraguan Democratic Forces (FDN), the major group of . . . insurgents.

He traveled with a well-armed, 50-member guerrilla band led by a commander whose *nom de guerre* is El Gorrion—The Sparrow. Their base camp was deep in the rugged mountains of Nicaragua's Nueva Segovia province, near the Honduran border.

It quickly became obvious that the guerrillas had the support of the populace. They were fed and protected by local peasants at every step. Traveling on foot, and only by night to avoid detection by government troops, the guerrillas spent the days hiding in "safe houses," often within shouting distance of government-held towns. If the peasants had wanted to betray them, it would have been a simple matter to tip off the Sandinista militia to their hiding places.

The peasants also provided The Sparrow with up-to-the-minute intelligence on the whereabouts, movement and strength of the Sandinista forces.

The anti-Sandinista guerrillas' military prowess is not so clear-cut. My associate discovered this to his dismay when he accompanied The Sparrow's band on a planned pre-dawn ambush of government troop carriers along a country road.

. . . the guerrillas were themselves surprised by sniper fire from hilltop positions above them and were forced to pull out. The retreat was carried out skillfully, however, and two nights later the guerrillas avenged their defeat with an attack on the hilltop snipers' nest. The FDN commandos treated the snipers to a half-hour barrage of rockets, grenades and machine-gun fire, before returning satisfied to their base camp.

Most of the FDN guerrillas were local peasants, not *Somocista* exiles. But there were also former National Guardsmen, and they tend to be in positions of command because of their military experience.

Still, the core of The Sparrow's group consisted of locally recruited peasants. In fact, on my associate's last day with the rebel band, he witnessed the arrival of 50 new recruits all of them peasants from the neighboring province of Madriz.

One of the new recruits was a defecting Sandinista army instructor. There were other ex-Sandinistas in the guerrilla troop. One was Dunia, a star graduate of the Sandinista's post-revolution literacy campaign. . . . Dunia did so well she was rewarded with a junket to Cuba. She is now the camp medic for The Sparrow's band.

The rebels and their noncombatant collaborators cited a variety of reasons for their disenchantment with the Sandinistas: enforced food rationing, expropriation of the farmers' markets, enforced organization of peasant co-ops, the Sandinistas' anti-religious policies and harassment of the Catholic Church.

The Sandinistas themselves indirectly aided the guerrillas' recruitment of at least a dozen of the new arrivals. They said they had been under increasing pressure to join the militia. Forced to take sides, they chose the "contras."

Still, it was not an easy choice for many. They expressed genuine anguish at being forced—one way or another—to fight against fellow Nicaraguans.

"We don't want to fight our Nicaraguan brothers," they said. The ones they're after are the Sandinista leaders and their Cuban, East German, Bulgarian and other foreign advisers.

That's not the end of the column; there are two paragraphs left for anyone who is interested.

I would like to reiterate to the Council that the U.S. Government has repeatedly, throughout the brief history of the Sandinista dictatorship, sought to establish constructive relations with that government and, during the period of its destabilization of the area, sought to work with others in the area to achieve regional peace.

In August 1981, on a special mission to Managua, Assistant Secretary of State Thomas Enders presented a five-point peace plan to the Sandinistas to reduce regional tensions. Based on the termination of Nicaraguan support for guerrilla groups, the plan called for a U.S. pledge to enforce strictly laws governing exiles' activities in U.S. territory, reaffirmation of nonintervention and noninterference by all parties, limits on arms and military forces, resumption of U.S. economic assistance to Nicaragua which had been very substantial, and a U.S.-Nicaraguan cultural exchange program. The Sandinista government made no substantive response.

On April 19, 1982, U.S. Ambassador Anthony Quainton delivered an eight-point peace proposal to the Sandinistas that called for an end to Nicaraguan support for guerrillas in neighboring countries. It called for limits on arms and foreign military advisers, a joint pledge of noninterference and nonintervention, arms limit verification measures, resumption of U.S. economic assistance, implementation of cultural exchange programs, and the reaffirmation of Sandinista commitments to pluralism, free elections, and a mixed economy. The Sandinistas made a non-substantive response that did not even address the U.S. plan. They presented only rhetorical counterproposals.

On October 19, 1982, eight regional democracies, including the United States, set forth the essential conditions

for peace in Central America, again including verifiable limits on arms and foreign military advisers, national reconciliation through the democratic process, a halt to support for insurgent groups, mutual respect for pledges of nonintervention, and respect for basic human rights. The countries asked Costa Rica to discuss these conditions with Nicaragua. That, too, came to nought.

In addition, the Sandinistas have rejected other proposals put forth by their neighbors. As late as 1983, they refused to meet with Costa Ricans, Hondurans, Salvadorans, and Guatemalans in multilateral discussions supported by the Contadora group [Colombia, Mexico, Panama, Venezuela], but you've already heard about this.

The Sandinista insistence on bilateral rather than multilateral talks underlines its desire to resolve its external problems while avoiding the issue of its export of revolution, war, and misery to its neighbors. The record speaks for itself. I should just like to close these remarks by reminding members of the Council that in his speech to the joint session of the U.S. Congress, President Reagan asserted: "To support these diplomatic goals [in the region], I offer these assurances," and I should like to offer these assurances again to the Council on behalf of the Government of the United States:

- The United States will support any agreement among Central American countries for the withdrawal—under fully verifiable and reciprocal conditions—of all foreign military and security advisers and troops.
- We want to help opposition groups join the political process in all countries and compete by ballots instead of bullets.
- We will support any verifiable, reciprocal agreement among Central American countries on the renunciation of support for insurgencies on neighbors' territory.
- And, finally, we desire to help Central America end its costly arms race and will support any verifiable, reciprocal agreements on the nonimportation of offensive weapons.

Finally, I would like to say to members of the Council that every nation in the United Nations—especially small nations, especially nations with powerful neighbors—should ponder carefully this case, should think well about what is being demanded once again of this Council by the Government of Nicaragua. The Government of Nicaragua has once again come to us demanding of the United Nations international protection while it destabilizes its neighbors. It is claiming that a people

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repressed by foreign arms of a super-power has no right to help against that repression. That is a principle that I should suppose every member of the United Nations which is, in fact, committed to principles of national independence, self-determination, and non-intervention would do well to think hard about.

STATEMENT, MAY 16, 1983²

The hour being late, I will try to be very brief. I would simply note that one hears here a very great deal of falsification of history and of current events.

The first point that I would like to make concerning these most recent falsifications is simply that the United States is neither a champion of Central American cooperation nor an opponent of Central American cooperation. If the countries of the region desire, in fact, to meet together to try to work out solutions to their problems, the United States poses no obstacles to that. No more do we pose obstacles to the desire of, shall we say, Libya and Chad to try to find solutions to their problems within the framework of the OAU [Organization of African Unity] or a great many nations of this United Nations who have come before this body and preferred, in fact, to find regional solutions. The United States neither champions that nor opposes it. We believe, in general, in the right and the practicality of nations most immediately involved in conflicts seeking to work out solutions to their problems.

Second, the United States has not invaded Nicaragua and does not intend to do so. The most that the United States has been reproached for or accused of by serious people is providing arms and advice to Nicaraguans fighting for their right to national self-determination.

Third, concerning one more falsification, the question of *who* has done *what* with regard to *which* meeting at *what* past time. The past is always less important than the present. The principles that are presumably at stake here are relatively clear, I think. The Central American democratic community, to which the Nicaraguan Foreign Minister objects, issued a declaration—the declaration of San Jose—which asserted some principles, many of which have also been identified by the Contadora group as principal concerns in the area.

Those include an end to the importation of all arms from outside the area into the area, with verification of that; an end to the importation of foreign advisers; and the end of the use of foreign advisers throughout the area and verification of that.

In addition to that, there has been recent reaffirmation in the most current declaration of Contadora of some other principles which were affirmed at San Jose. Those include, and I'm reading now from the U.N. unofficial translation of the Contadora communication: "Self-determination and non-intervention in the affairs of other States; the obligation not to allow the use of territory of one State for acts of aggression against another; the peaceful settlement of disputes; the prohibition of the use of force to resolve conflict."

To the best of my knowledge, the basic problem which confronts the region is that one state in the region—namely Nicaragua—is precisely unwilling to affirm respect for the territorial integrity of other states, is unwilling to affirm its obligation not to allow its territory to be used for acts of aggression against another. It still claims for itself unique enjoyment of these rights. I believe that the Security Council should see very clearly that the United States—and I suspect all the other states involved in the Contadora process, except perhaps Nicaragua—is willing in very short order to agree to respect for self-determination and non-intervention in the affairs of other states; the obligation not to allow the territory of one state for acts of aggression against another; the peaceful settlement of disputes; the prohibition of the threat of the use of force to resolve conflicts.

There has been a reference to the dreams of the people of Central America. The people of Nicaragua have dreams too, and those dreams have been very cruelly betrayed. I believe that if the Government of Nicaragua would simply keep the promises it has solemnly made to its own people, which promises we have frequently reviewed here—respect for human rights, for democratic processes—and would be willing to live in peace with its neighbors, if there were a will to do those things and to respect the principles of the Charter, then the precise format in which those questions were discussed and decided would turn out to be quite unimportant.

STATEMENT, MAY 18, 1983³

I would just like to reply to certain of the assertions made by the distinguished representative of the Soviet Union. I should like to note first the stunning cynicism of his remarks. It is, indeed, stunningly cynical for the representative of the Soviet Union, whose country undertook to flood the region of Central America with arms, heavy weapons which had never been seen in the region, and military advisers of an extraordinary assortment who have in common a particular relationship with his own country—a relationship which is characterized by the hegemony of the Soviet Union *vis-a-vis* the various client states. Those are the people who have introduced heavy weapons into Central America. Those are the people who have undermined economic progress and development in the region which was, in fact, proceeding at quite a steady rate before the deliberate efforts at militarization and destabilization of the region.

The suggestion was also made by the distinguished delegate of the Soviet Union that the United States sought to determine the internal life of the Government of Nicaragua and should, in fact, be indifferent—should bug off—from any concern about the organization of its politics or economics. I should just like to say that the United States does not attempt to influence in inappropriate ways the organization of any country's economic system. We hope that all countries in the world will organize their economic systems in such a fashion that they will be productive of goods and for the well-being of their people. But that we regard wholly as their decision. We also regard the form of government of other countries as their decision.

We cannot, however, be indifferent to gross violations of human rights by other governments nor does the Charter of the United Nations suggest that we should do so. The Charter of the United Nations, in fact, identifies respect for human freedom and other human rights as central concerns of this organization and of all member states of this organization.

The United States also belongs to some other organizations and takes cognizance of obligations which are contracted *vis-a-vis* other organizations. We have noted here, for example, that the Government of Nicaragua undertook some solemn commitments to the Organization of American States con-

cerning the kind of government it would organize were it, in fact, to become the Government of Nicaragua. It undertook commitments to organize democratic institutions, provide its people with democratic institutions in respect of their human rights and rule of law—regular, civil rule of law, quite specifically. We have suggested that those commitments have not been fulfilled. And since the ruling clique of Nicaragua secured the assistance of the Organization of American States in its rise to power on the basis of those commitments, it raises some question about the basis of their government.

The representative of the Soviet Union also referred to the bloody crimes of the United States, I think was his phrase. The phrase reminded me of an item which I had read yesterday in a European newspaper concerning the death of some 3,000 Afghan civilians last week due to bombing of civilian populations by the nearly 150,000 Soviet occupation troops of that beleaguered country. The article that I read also noticed that the UN Security Council nor any other body of the United Nations had taken any note of this mass slaughter of Afghans. I would like, while we are talking about bloody crimes, to take formal note of the suffering of the Afghan people.

I would finally just like to say that it has been suggested by the Soviet representative and some others that they support regional efforts to achieve peace, and I would emphasize that that is, of course, precisely what we all support. If they support regional efforts to achieve peace, then there is unanimity because certainly the rest of us support regional efforts to achieve peace. The United States, for its part, stands ready at any time to support any agreements to end the importation of all arms and foreign military advisers into the region—any agreement to do so which is verifiable—and to support any agreement that provides for the mutual respect of borders by all countries in the region and the noninterference in the affairs of one another and the end to all efforts at destabilization.

SECURITY COUNCIL RESOLUTION 530, MAY 19, 1983⁴

The Security Council,

Having heard the statement of the Foreign Minister of the Republic of Nicaragua,

Having also heard the statements of various States Members of the United Nations in the course of the debate,

Deeply concerned, on the one hand, at the situation prevailing on and inside the northern border of Nicaragua and, on the other hand, at the consequent danger of a military confrontation between Honduras and Nicaragua, which could further aggravate the existing crisis situation in Central America,

Recalling all the relevant principles of the Charter of the United Nations, particularly the obligation of States to settle their disputes exclusively by peaceful means, not to resort to the threat or use of force and to respect the self-determination of peoples and the sovereign independence of all States,

Noting the widespread desire expressed by the States concerned to achieve solutions to the differences between them,

Commending the appeal of the Contadora group of countries, Colombia, Mexico, Panama and Venezuela, in its 12 May 1983 communiqué (S/15762) that the deliberations of the Council should strengthen the principles of self-determination and non-interference in the affairs of other States, the obligation not to allow the territory of a State to be used for committing acts of aggression against other States, the peaceful settlement of disputes and the prohibition of the threat or use of force to resolve conflict,

Considering the broad support expressed for the efforts of the Contadora Group to achieve solutions to the problems that affect Central American countries and to secure a stable and lasting peace in the region,

1. *Reaffirms* the right of Nicaragua and of all the other countries of the area to live in peace and security, free from outside interference;
2. *Commends* the efforts of the Contadora group and urges the pursuit of those efforts;
3. *Appeals* urgently to the interested States to co-operate fully with the Contadora group, through a frank and constructive dialogue, so as to resolve their differences;
4. *Urges* the Contadora group to spare no effort to find solutions to the problem of the region and to keep the Security Council informed of the results of these efforts;
5. *Requests* the Secretary-General to keep the Security Council informed of the development of the situation and of the implementation of the present resolution.

¹USUN press release 28.

²USUN press release 35.

³USUN press release 36.

⁴Adopted unanimously. ■

Namibia

Following are statements made in the Security Council by Ambassador Jeane J. Kirkpatrick, U.S. Permanent Representative to the United Nations, on May 25, 1983, and Ambassador Charles M. Lichenstein, U.S. Alternate Representative, on May 31, as well as the text of Security Council Resolution 532 of May 31.

AMBASSADOR KIRKPATRICK, MAY 25, 1983¹

The events of this past weekend in Pretoria and Maputo are a bloody reminder, if any was needed, of the consequences of violence and of the very real potential that today exists throughout southern Africa for the further escalation of that violence. As is all too often the case, the victims of these most recent tragic events include many who were entirely innocent and blameless.

The United States deplores such acts of violence, from whatever quarter, whether perpetrated in the name of change or in opposition to it. Violence cannot solve the pressing problems of the region. On the contrary, by creating new victims, new grievances, and new grounds for anger and hatred, such acts can only increase the danger of new and greater violence in an ever-escalating cycle. Ultimately, we must count among the wounded of these acts all those who seek and hope for peaceful change through negotiation and dialogue.

My government, for the past several years, has been seeking to assist the governments of the region to find peaceful ways to address and to resolve mutual problems. We have been encouraged by the purposeful high-level dialogue between Mozambique and South Africa, a dialogue which the events of last weekend must not be permitted to place in jeopardy. We have made known to both South Africa and Mozambique—and, indeed, to all governments of the region—our willingness to help. We have stressed our conviction that the problem of cross-border violence, if allowed to go unresolved, will seriously endanger prospects for both stability and peaceful change.

Let it be clearly understood that the United States deplores violent cross-border activities in southern Africa, in

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whatever direction and for whatever stated goal. Similarly, we categorically reaffirm the principle that all states have a duty to refrain from tolerating or acquiescing in organized activities within their territory by guerrillas or dissidents planning acts of violence in the territory of another state. There can be no double standard for southern Africa. Cross-border violence cannot be condoned, whether it be in the form of a bomb placed in a crowded square in Pretoria by externally based organizations or of the continuing violation of Angola's territorial integrity by South African forces.

The Security Council also bears a solemn responsibility to uphold the principles of nonviolence and the settlement of disputes by peaceful means. Those principles are especially pertinent to the issue which this meeting of the Council has been convened to consider.

The United States welcomes the opportunity afforded by this meeting to participate in a review of the efforts that are being made to bring about the independence of Namibia, in accordance with decisions previously taken by the Council. As all are aware, the United Nations, and in particular the Security Council, bears a unique responsibility for furthering the interests of the people of Namibia and their aspirations for peace, justice, and independence. It has been 2 years since the Council last met to examine the question of Namibia, and it is, therefore, appropriate that it should wish to review what has transpired in the intervening period.

The participation in this debate of so many distinguished foreign ministers testifies to the importance and the urgency which the international community as a whole attaches to the attainment by the people of Namibia of their justly deserved and too long delayed independence. I especially welcome the presence here of the foreign ministers of the front-line states, with which governments of the Western contact group have enjoyed an active, constructive, and vital partnership in our efforts to hasten Namibia's independence.

Finally, I welcome this opportunity to report to you on the role that my government, in partnership with the other members of the Western contact group, has sought to play in helping to promote a peaceful, negotiated settlement for the earliest possible attainment of Namibia's independence.

Before doing so, however, I wish to pay a special tribute to the Secretary General. I know first-hand his deeply

felt commitment to the attainment of Namibia's independence. I have been impressed by his dedication and objectivity and have full confidence in his ability to carry out the responsibility assigned to him under Security Council Resolution 435. I am also aware of the efforts he and his staff have made to ensure that all is in readiness for the day when agreement is reached for implementation of the UN settlement plan.

I also wish to thank the Secretary General for his report, which provides an accurate summation of what has transpired since the Council last met on this issue in April 1981. It is not necessary to recapitulate what he has already set out. I would, however, like to recall the very different circumstances that prevailed at the time of that last meeting.

The tone and the outcome of that debate were very much a reflection of the widespread disappointment over the failure of the preimplementation meeting in Geneva to reach agreement on a date for the start of the cease-fire envisaged in Security Council Resolution 435. The preimplementation meeting ended only a few days before the Administration, of which I am now a member, took office in Washington. It became one of the urgent tasks of the new American Government to assess, jointly with its contact group partners, the reasons for the failure of the Geneva meeting.

It would be fair to say that the new American Government was the recipient of a great deal of advice at that time. I will be frank in telling you that there were those who advised strongly against a continuing U.S. role in pursuit of a negotiated settlement of the Namibian problem. It was said that the obstacles to a peaceful settlement were too great to be overcome and that the interests of the United States in the region did not justify the tremendous commitment of time and energy that would be required.

Needless to say, those responsible for formulating the policies of this Administration did not share these views. Although mindful of the great difficulties involved, they were also aware of the efforts that had already been made and of the opportunity which existed to resolve, through peaceful negotiations, this pressing issue. They were in this regard sensitive to the cardinal importance attached to Namibia's early independence by the nations of Africa. These goals more than justified a rededication of efforts which the contact group had first undertaken 4 years earlier.

At the same time, we were anxious in our renewed approach to the problem to avoid, if at all possible, the frustrations of the past. We sought an approach that would not result in the same disappointment so keenly felt—above all by the people of Namibia—following the failure of the Geneva preimplementation meeting. With this firmly in mind, we undertook a fresh round of consultations, first with our contact partners and then with the other concerned parties—the front-line states, the South African Government, SWAPO [South West Africa People Organization] and the Namibian political parties that would also participate in the UN-supervised elections envisaged in Resolution 435.

In the course of these consultations several facts became abundantly clear.

- We were assured of the interest and the desire of all those directly concerned that the negotiations should continue.

- It was clear that in the absence of a peaceful negotiated settlement leading to Namibia's independence, the situation of armed conflict and instability in the region would only worsen, with unacceptable consequences for all the inhabitants of the region.

- We were assured by those with the greatest stake in the success of the negotiations that the contact group had a continuing and important role to play in helping to bring about a peaceful settlement.

On the basis of this assessment, the foreign ministers of the contact group met in May 1981 and decided to redouble their efforts to bring about a negotiated settlement. They reaffirmed their conviction that only a settlement under the aegis of the United Nations would find broad international acceptance and that Security Council Resolution 435 continued to provide the basis for Namibia's peaceful transition to independence. Bearing in mind the difficulties that had arisen at the preimplementation meeting in Geneva, the contact group of foreign ministers further decided to develop specific proposals that would address directly the concerns that had thus far prevented the implementation of Resolution 435. They considered that the purpose of these proposals should be to give all concerned greater confidence as regards the future of an independent Namibia.

Since the relaunching of their negotiating efforts in the spring of 1981, the members of the contact group have worked closely and intensively with all

the parties concerned. It is a matter of the greatest regret to us—as I know it is to all of those here—that the promise of Namibia's independence has not yet been realized. At the same time, however, I believe it would be a mistake to discount the progress that has been achieved toward the implementation of Resolution 435 since the Council last met to review the situation.

First, it is important to note that all parties concerned have reaffirmed their acceptance of Resolution 435. That resolution, and the settlement plan it endorsed, remains the only agreed and recognized basis for an internationally acceptable settlement of the Namibia question.

Second, all parties have committed themselves to constitutional principles which will serve as a guide to the elected constituent assembly in drafting a democratic constitution for an independent Namibia. This agreement, which was confirmed to the Secretary General in July of last year and which is noted in his report to the Security Council, has helped to reassure all those who will participate in the UN-supervised elections of the democratic future of an independent Namibia.

Third, substantial progress has also been made in resolving the issues which were responsible for the unsuccessful outcome of the Geneva preimplementation meeting. In particular, through intensive consultations which took place in New York and Washington last summer, involving representatives of the front-line states, SWAPO, South Africa, and of the UN Secretariat, understandings were reached that will assure all parties to the elections of the fairness and impartiality of the process leading to Namibia's independence.

Finally, through their own consultations with the parties concerned, the Secretary General and his staff have made substantial progress in resolving outstanding questions concerning the composition and deployment of the military component of UNTAG [UN Transition Assistance Group]. Here I would like once again to express our appreciation to the Secretary General for the determined efforts he has made to ensure that all is in readiness for the implementation of the UN settlement plan.

Because of the substantial progress that has been made over the past 2 years, only two major issues remain to be resolved in preparation for the implementation of Resolution 435. These are:

- The choice of the electoral system to be employed in the elections, which all parties are agreed must be settled in accordance with the provisions of Resolution 435 and in a manner that does not cause delay, and
- Final, technical matters concerning the composition of the military component of UNTAG.

While the United States is pleased with the record of what has been achieved over the past 2 years, we are by no means satisfied. Indeed, none of us can rest content until the goal which we seek has been attained. But the fact that much has been achieved justifies continued commitment to the course.

Apart from the specific accomplishments I have just mentioned, there has been the development of an atmosphere of confidence which we hope will make it possible for the parties concerned to take the important political decisions necessary to go forward with the implementation of Resolution 435. We have been especially gratified by the constructive and flexible attitude displayed by the concerned parties, which has made possible the progress that has been achieved to date.

We share the concern that the factors relating to the regional situation in southern Africa, which are, however, outside the scope of the mandate of the contact group, have not yet permitted implementation of the UN plan. We believe that these issues should be resolved rapidly, in a manner consistent with the sovereignty of all states concerned, so that the people of Namibia can exercise their right of self-determination. The ministers have accordingly decided that the contact group should continue its work with all urgency.

We are convinced—now more than ever before—that with the continued good faith and cooperation of all concerned, our shared objective of a negotiated settlement leading to a stable, democratic, prosperous, and independent Namibia will be realized.

Here I would like to say a word about the role and the objectives of my government in these negotiations.

- I wish to stress above all that the United States neither desires nor seeks any special advantage or position for itself in these negotiations.

- It is not our intention, nor is it within our power, to impose our own views or wishes on those whose interests and aspirations are most directly involved.

- We fully respect the fact that the political decisions needed to proceed with the implementation of the UN settlement plan are sovereign decisions that can only be taken by the governments most immediately and directly concerned.

- Furthermore, we recognize that those who must take those decisions will wish to assure themselves that their own interests and security will be respected and protected.

- In the sometimes thankless role that we have assumed, our sole objective has been to assist the parties in overcoming the difficulties that have to date prevented the implementation of Security Council Resolution 435 and the attainment of Namibia's independence.

- Finally, I wish to assure all those here assembled that the United States will continue to work for Namibia's transition to stable and prosperous independence once an agreement has been achieved. With other members of the United Nations, we are prepared to contribute a fair share to ensure the effectiveness of the UN Transition Assistance Group. We also stand ready to cooperate with others in providing the assistance that will be essential to giving all Namibians the opportunity to lead peaceful and productive lives.

I am keenly aware of the sense of frustration felt by members of this body because the aspirations of the people of Namibia have not been realized. We share that frustration, and we have sympathy for the people of Namibia, and the region, who suffer from the continuing conflict. We will not, however, allow our feelings of frustration to lead us to despair. Our common efforts will succeed. The only alternative to the continued, vigorous pursuit of a peaceful, negotiated settlement is a more dangerous and ever more destructive escalation of the violence that the people of Namibia and those throughout the region have known too well too long.

Those of us who are privileged to participate in the decisions of this body have a special responsibility to do all we can to help achieve Namibian independence peacefully and promptly. We are ready to work closely with other members of the Council and with the parties concerned to achieve such an outcome, which we know will also enhance the prospects for peace, security, and economic development throughout the region.

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SECURITY COUNCIL RESOLUTION 532, MAY 31, 1983²

The Security Council,

Having considered the report of the Secretary-General,

Recalling General Assembly Resolutions 1514 (XV) of 14 December 1960 and 2145 (XXI) of 27 October 1966,

Recalling and reaffirming its Resolutions 301 (1971), 385 (1976), 431 (1978), 432 (1978), 435 (1978) and 439 (1978),

Reaffirming the legal responsibility of the United Nations over Namibia and the primary responsibility of the Security Council for ensuring the implementation of its Resolutions 385 (1976) and 435 (1978), including the holding of free and fair elections in Namibia under the supervision and control of the United Nations,

Taking note of the results of the international conference in support of the struggle of the Namibian people for independence, held at UNESCO House in Paris from 25 to 29 April 1983,

Taking note of the protracted and exhaustive consultations which have taken place since the adoption of Resolution 435 (1978),

Noting with regret that those consultations have not yet brought about the implementation of Resolution 435 (1978),

1. *Condemns* South Africa's continued illegal occupation of Namibia in flagrant defiance of resolutions of the General Assembly and decisions of the Security Council of the United Nations;

2. *Calls upon* South Africa to make a firm commitment as to its readiness to comply with Security Council Resolution 435 (1978) for the independence of Namibia;

3. *Further calls upon* South Africa to cooperate forthwith and fully with the Secretary-General of the United Nations in order to expedite the implementation of Resolution 435 (1978) for the early independence of Namibia;

4. *Decides* to mandate the Secretary-General to undertake consultations with the parties to the proposed cease-fire, with a view to securing the speedy implementation of Security Council Resolution 435 (1978);

5. *Requests* the Secretary-General to report to the Security Council on the results of these consultations as soon as possible and not later than 31 August 1983;

6. *Decides* to remain actively seized of the matter.

AMBASSADOR LICHENSTEIN, MAY 31, 1983³

The United States is pleased to have been able to vote for the resolution we adopted this morning. We share the common objective of all members of the Council—the swiftest possible attainment of Namibian independence, and we

believe that this resolution will make a positive contribution to that end.

The United States must point out that preambular paragraph 2 refers to several resolutions, among which there was one—Security Council Resolution 439 (1978)—which the United States did not support. Our affirmative vote on the present resolution does not imply any change in the U.S. position on Resolution 439.

With regard to the fifth preambular paragraph, echoing the comments of the representative of the United Kingdom, I would note that my government, although represented at the Paris conference on Namibia, was not a party to its decisions. Together with other members of the contact group, the United States informed the Secretary General that it would not participate in the decisions of the conference in view of its role, as a member of the contact group, in the negotiations aimed at achieving Namibia's independence.

Over the past 2 years and longer, my government has been deeply involved in the search for a settlement of the Namibia problem. We understand the frustration that Namibia independence has not, in fact, yet been achieved. However, in addition to the very substantial progress which has been made in fleshing out the framework of UN Security Council Resolution 435, we believe a great deal has also been accomplished toward establishing an environment in which all parties are able to take the political decisions necessary to implement the UN plan. If there is to be a lasting settlement, we need to create the conditions in which all countries in the region—most particularly South Africa and Angola—can feel secure and turn their energies to their own development. This would, of necessity, involve not only complete respect for territorial integrity by all countries within the region, it must also involve the withdrawal of all foreign forces in the region. Creating the secure conditions that in turn may provide a climate of confidence will be an essential part of this settlement for which we all devoutly wish and toward which we are all earnestly working.

¹USUN press release 41.

²Adopted unanimously.

³USUN press release 44. ■

UNICEF

PRESIDENT'S STATEMENT, APR. 18, 1983¹

For nearly a quarter of a century, the United States has generously offered resources and know-how to give a better, healthier life to ill and malnourished people throughout the world. Despite past efforts and progress by the United States and many other countries, the United Nations Children's Fund (UNICEF) recently reported that over 40,000 children in developing countries will die every day, victims of malnutrition and disease. This is a tragedy of global proportions and requires a global effort in response.

UNICEF is now pursuing a "health revolution" for children in developing countries that involves a new combination of technological and social approaches to health. It is estimated that this combination, coupled with networks of trained health workers backed by government services and international assistance, can save the lives of 20,000 children each day within a decade. Moreover, literally hundreds of millions of young lives would be healthier.

One technological achievement has been the development and distribution of an inexpensive home treatment for diarrhea, a major contributor to deaths among young children in developing countries. This treatment was developed after years of research in the International Center for Diarrheal Disease Research in Bangladesh. The United States has contributed to that institution for more than 20 years. The World Health Organization has also been a focal point for international support and study of diarrheal diseases.

A second element is the development of low-cost vaccines which do not require refrigeration and which can be used in remote areas to protect children from such killers as measles, diphtheria, tetanus, whooping cough, polio, and tuberculosis.

Another factor is the promotion of breast feeding for its nutritional and hygienic value, as well as its immunological qualities. Still another is a simple infant weight chart kept by the child's mother which indicates a child's progress at monthly weighings, making

malnutrition quickly detectable. Its design and use have been improved and tested in U.S.-supported maternal-child health programs around the world. UNICEF has found that a great portion of malnutrition cases are due to the problem going undetected rather than lack of food in the family.

The American people have always been in the vanguard of support for

children's health and well-being. As President of the United States, I am asking the American people to help bring about a health revolution for children during the coming decade by supporting UNICEF's humanitarian program.

¹Text from Weekly Compilation of Presidential Documents of Apr. 25, 1983. ■

Caribbean Basin Recovery Act

by Lawrence S. Eagleburger

Statement before the Subcommittee on Trade of the House Ways and Means Committee on June 9, 1983. Ambassador Eagleburger is Under Secretary for Political Affairs.¹

It is a pleasure for me to appear before this committee to testify on the Caribbean Basin initiative. The Secretary asked me to express his regret that he would not be able to appear himself. He is attending a NATO Foreign Ministers meeting in Paris. Both he and I—indeed, the Administration as a whole—place a great deal of importance on this program and on the need for rapid action. It has already been too long delayed.

The House of Representatives last December passed the Caribbean Basin initiative, and I, therefore, hope that this committee and this chamber will be able to act expeditiously. The House gave a large bipartisan vote to the legislation last year, which is a clear indication that the importance of the initiative to the U.S. national interest is already widely understood. But let me just recall some of the crucial points in favor of the program.

First, although the United States is an enormously powerful and prosperous nation, we are not isolated from the rest of the world. Indeed, to a large extent, we draw our strength and our prosperity from that of our neighbors and friends. The Caribbean Basin is our neighborhood and, as such, it is a region of particular importance to us. By this time, many in the Congress already know some of the facts regarding our interdependence with the region; for example, that half of our trade, including two-thirds of our energy trade, passes through the seaports of the Caribbean Basin. Our historical, social, and

economic ties also are extremely strong. It is the second largest source of immigration to the United States and offers a \$6 billion market for our goods. Clearly, its prosperity and peacefulness are not just of altruistic interest to us; the lives of our citizens are and will continue to be deeply affected by what happens there.

Prosperity and peace in the Caribbean Basin mean greater security and new economic opportunities for us in the United States and social exchanges based on mutual interest enriching all our societies and cultures. Economic decline and political disruption in the Caribbean Basin, on the other hand, mean a continued need by the United States to devote resources to protect itself against the possibility of the area being dominated by hostile powers. Prolonged social and economic disruption would also provoke an exodus of desperate people seeking a safe haven in the United States. Our nation has gained enormously from the skills and energies of political and economic refugees. It is, clearly, in our and other nations' interest, however, to promote cultural and economic interchange without the terrible personal suffering that massive refugee movements produce.

There is no doubt that the countries of the Caribbean Basin desperately need this program. These small states lack the large domestic markets needed to encourage broad-based industrial and agricultural development. While some countries have begun to diversify during recent decades, their economies still depend heavily on a few primary exports such as coffee, sugar, bananas, and bauxite, and on tourism. As small countries, they are extraordinarily vulnerable to the effects of international economic developments.

The economies of this region have been devastated by the worldwide economic recession of the past several years. In almost every country, the past 2 years have seen falling income and rising unemployment. Shrinking government revenues have delayed vital development projects and social programs. The U.S. recession caused a steep drop in the tourism revenues so essential to many Caribbean countries. In Central America, recession has been exacerbated by violence, causing a severe drop in intraregional trade and bringing new investment to a standstill. As the economic situation in the Caribbean Basin has worsened, it has indirectly affected the United States. Lower export earnings have made it difficult for many of the countries to service their external debts, a large part of which is held by U.S. banks. Economic dislocation has contributed to illegal immigration into this country. Our exports to the region fell by almost \$300 million in 1982, a cost to our economy of some 10,000 jobs.

Impact of the Initiative on U.S. Employment

As I noted before, I believe that there is already a broad understanding of our interdependence with the Caribbean Basin and, hence, of the need for the United States to act to help. However, there is also concern in some quarters about the impact of the initiative on employment in the United States. On this point, the critics make one fundamental assumption about trade and economic relationships which I strongly believe to be false. They seem to believe that what the Caribbean Basin gains will be lost by the United States. Trade is not a zero sum game. All economic history proves it. Economic exchange occurs because both parties have something to gain from the transaction. Consequently, the increase in prosperity which we are aiming to achieve in the Caribbean Basin will not come at the expense of the U.S. economy. The jobs created in the Caribbean Basin will not mean that an equivalent number of jobs is lost in the United States. On the contrary, the increased prosperity of Caribbean Basin countries will mean both an increase in jobs for their own people at home—thus reduced emigration—and an increase in their demand for U.S. exports. The results on both counts should be additional jobs for our unemployed.

WESTERN HEMISPHERE

There are other critics who recognize that, while increased trade may be beneficial over the long term to the United States as a whole, certain groups within the United States might be adversely affected—notably industries particularly sensitive to imports. There are some issues of transition and adjustment which must be addressed. This legislation does that. There are safeguard provisions which allow for reimposition of the duty in cases where U.S. industries or workers are threatened with serious injury. Rules-of-origin requirements will prevent mere pass through or simple assembly operations which do not involve significant local value added. The legislation passed by the House last year excludes a number of politically sensitive products. Any further product exceptions or

weakening of the economic provisions of this legislation would, in my view, be clearly unnecessary and, more importantly, would result in a program with more promise than performance.

Providing Incentives

If we want to help our neighbors, then let us do it effectively. We need to give these small economies real incentives—incentives which are comprehensive, simple to understand and take advantage of, and sufficiently long term to provide stable expectations. The opening of our large market to Caribbean Basin countries for a 12-year period without duty impediments is a bold and effective step. In passing such a program, this Congress will help provide a powerful new set of opportunities for the Carib-

bean Basin countries and, at the same time, will provide some rich new opportunities to our own industries and workers.

The threat which increased imports from the Caribbean Basin pose to us is minimal. Remember that the Caribbean Basin economies are equal to only 2% of our gross national product, and our total imports from the region are less than 4% of our global imports. The products that would be extended duty-free entry as a result of this legislation comprise only one-half of 1% of our total imports. Clearly then, the risk of injury to the United States is small. The Caribbean Basin countries can experience a very significant increase in production and exports without having an appreciable impact on the U.S. economy. I hope and expect that this increase will occur both

U.S. Medical Team to El Salvador

WHITE HOUSE STATEMENT, JUNE 2, 1983¹

As a humanitarian gesture, the United States will provide a medical team to the Government of El Salvador. The team is a battalion-size unit of 20 to 25 members, composed of doctors, technicians, medics, and corpsmen, who will assist the El Salvadoran Government in emergency medical services. The unit is composed of military personnel from the various service branches. About a third of that total will be doctors.

The decision which was approved by the President was in response to a request by the Government of El Salvador. There have been reports, both from the government and from the private sector, that have cited the serious medical problems faced by the military and civilian population in El Salvador. Of particular interest was a study by the *New England Journal of Medicine*, which pointed out in specific terms the difficulties faced by the people of El Salvador.

After these needs were pointed out by the government, and prior to the New England medical publication, the United States sent a survey team to El Salvador to study the needs and to recommend a U.S. response. The action is a result of their recommendations.

Consultations with appropriate

Members of Congress began several weeks ago. We have kept Congress fully abreast of our plans. The reaction among key Members of Congress has been one of understanding and general approval.

This decision in no way conflicts with our self-imposed commitment to hold the number of military trainers to 55. The number at the moment is 52 military trainers, but it does vary virtually on a day-to-day basis. It has not exceeded 55, and we have no plans to exceed this limit.

The medical team, which will be headed by two medical service officers, will be under the policy direction of the U.S. Embassy. They will report through appropriate military channels. They will assist the Salvadoran Government in treating their civilian and military casualties. They will provide guidance to the government in establishing their own medical services.

It is our desire in taking this action to help alleviate a devastating situation. It is our intention to provide basic humanitarian medical relief through training medics, helping establish a medical supply system, and repairing medical equipment.

This team would be able to undertake an extensive survey in the military hospital medical system and begin repair of equipment and establishment of a medical logistics system and would in-

struct El Salvadoran armed forces medical personnel in field-medical techniques.

This project is designed to help alleviate a bad situation, which is getting worse. They will operate in the San Salvador area. The duration of their stay is expected to be about 6 months. The U.S. survey teams, which have observed medical conditions in El Salvador for a number of weeks, report the medical situation in the country is critical. The Salvadorans are faced with crowded medical facilities, lack of equipment and sufficiently trained medical personnel.

The President, once informed and briefed on the situation, directed this effort be made to aid the people of El Salvador in coping with a difficult situation. It is an effort on our part to allow a nation struggling to establish democratic principles to meet yet another challenge imposed on them by an unfortunate and vicious war being waged and directed by forces from outside their country.

The President said, "The United States will not stand by idly while human suffering is at such a level."

¹Read to news correspondents by Principal Deputy Press Secretary to the President, Larry Speakes (text from Weekly Compilation of Presidential Documents of June 6, 1983). ■

through expansion of existing production and through entirely new production in sectors in which there is no trade at present.

All economic decisions involve some risk, but if we are paralyzed into inaction or into meager action by an excessive fear of risk, then we end up with not only stagnation but even less than the status quo. To move forward—even to stand still—we must work in favor of change, the kind of change which benefits ourselves and our neighbors.

Other Donor Countries

This program also deserves your support because it represents a new departure in our relationship with developing countries. It is a program which is derived from an intensive dialogue with both potential beneficiaries and other donors. Consequently, it represents far more than just a unilateral U.S. effort. The legislation before you is a crucial part of the international effort—but only a part. Other countries have contributed, significantly, both in terms of financial assistance and/or new trade and investment opportunities. These efforts include not only those of international institutions such as the World Bank and the Inter-American Bank, and of developed countries such as Canada, but also of the three countries which have their own particular development problems—Colombia, Mexico, and Venezuela.

Perhaps even more importantly, the efforts of the donor countries are being supported and magnified by the domestic efforts of the beneficiary countries. Despite their limited resources and the meager lifestyles that many of their people experience, these countries are undertaking some extremely painful economic reforms. They recognize that coherent and economically rational domestic policies are essential to put them on the road to self-sustaining growth. External assistance provides only the indispensable margin of resources and support to help make their efforts succeed. I want to emphasize the sacrifices which many of these countries are already making to place themselves on the road to recovery and stable, continued growth.

Support for Private Firms

Another way in which this program is a departure from our traditional approach to development is that it integrates aid, trade, and tax measures into a complementary and mutually reinforcing package. I was pleased last summer when the Congress approved the assistance portion of the President's original Caribbean Basin proposals. All of the \$350 million that was appropriated already has been obligated for use by the private sector in those countries with the most serious financial problems. This assistance has helped many established, productive private firms to continue operating and to obtain needed raw materials and equipment from the United States. But, as the President said when he requested the special initiative appropriation: financial assistance is only a short-term remedy which must be accompanied by measures in other areas. Indeed, development will not occur on a self-sustaining basis unless it is a broad-based process which draws the marginalized sectors of these societies into the development process while preserving basic individual rights and freedoms. We believe that such development can only be achieved through a strategy which encourages private initiative and investment, which opens markets and stimulates production beyond the limitations of these small, traditional economies. This legislation is the embodiment of that belief.

Other Important Features

I have focused on the trade provisions because the trade incentive is the heart of the bill. I would like to mention, however, other important features. As you know, we had originally requested an investment tax credit as an additional spur to foreign investment. This committee substituted, instead, the convention tax deduction, a provision which was enthusiastically welcomed by the countries in the basin as a positive stimulus to tourism. Other provisions, which I have not focused upon today but which are very important, strengthen the economies of Puerto Rico and the Virgin Islands. These include the rebate of excise taxes on rum, treating inputs from Puerto Rico and the U.S. Virgin Islands

as Caribbean content in meeting the rules of origin requirements and allowing industries in Puerto Rico and the Virgin Islands to petition for import relief. All of these features of the bill are essential to our comprehensive policy toward the region.

Conclusion

Let me close by repeating that this is a strong program, carefully designed to promote the interests both of the United States and of the nations of the Caribbean Basin. It is a necessary program, one that will make a crucial difference to Caribbean Basin countries in turning their economies and their societies around. And, finally, it is a program whose implementation is long overdue. It is now 15 months since the President sent his original proposal to the Congress.

Secretary Shultz earlier referred to the Caribbean Basin initiative as a far-sighted effort to get ahead of history in this turbulent region. The recent course of events in Central America and the Caribbean certainly underlines that the effort is anything but premature. Indeed, we cannot afford to lose any more time in getting it underway. As the Secretary has said, failure to pass the initiative "would extinguish the hopes that have been raised in the region that the United States is willing to give significant help to foster economic and social progress in the Caribbean Basin."

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Belize Prime Minister



(White House photo by Michael Evans)

Prime Minister George C. Price of Belize made an official working visit to Washington, D.C., May 11-14, 1983, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and Prime Minister Price after their meeting on May 12.¹

President Reagan

I appreciate the opportunity to speak with Prime Minister Price of Belize, to listen to his views, and to exchange ideas.

Our two countries share fundamental values. Foremost among them is a deep and abiding commitment to democratic government. And this has been very much emphasized in the conversations that we've had so far today.

In contrast to the war and turmoil elsewhere in the region, Belize—Central America's newest independent democracy—serves as a model of peace and stability. Belize is a developing country struggling with serious economic problems. And I'm hopeful that we can, as a neighbor, be of help, especially in those areas affecting the private sector.

Equally important, Belize should benefit under the trade provisions of the Caribbean Basin Initiative now before the Congress. But Prime Minister Price and I have discussed in some detail his country's economic challenges.

We also touched on another struggle Belize has been waging—the battle

against marijuana. And I'm impressed and encouraged by the efforts of Prime Minister Price's government to suppress the cultivation of cannabis, a drug which threatens the foundations of both our societies.

Our meeting was productive and cordial. Our conversations have reaffirmed the close relations between our two countries, the friendship of our peoples, and our mutual commitment to freedom and human rights.

And, once again, Mr. Prime Minister, it's been a great pleasure to have you and your group of ministers.

Prime Minister Price

We are happy to be received by the President of the United States of America. And our exchange of views served to further the good relations between our two countries, the United States of America and Belize.

Our two countries share the same side of planet Earth. We can draw wisdom and strength from the basic values of a common heritage, the same language and common law, a kindred parliamentary democracy, and a mixed economy.

Belize is thankful for the Caribbean Basin Initiative and the helpful cooperation of your people and your government in our daily task to maintain stability and security, which result from mutual respect and recognition of Belize's sovereignty and territorial integrity.

It is our policy to live in peace with our neighbors and to develop with equal standing our resources as together we create wealth to share in social justice.

To continue this difficult task, we need that wisdom and strength of which the Father of your Nation, President George Washington, spoke in his parting address, and I quote: "Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports."

With these supports and with faith in God, may both our nations continue to do valiantly and thus achieve the well-being and the happiness of our peoples.

¹Text from Weekly Compilation of Presidential Documents of May 16, 1983. ■

Visit of Salvadoran President

President Alvaro Magaña Borja of El Salvador made an official working visit to Washington, D.C., June 16-18, 1983, to meet with President Reagan and other government officials.

Following are remarks made by Presidents Reagan and Magaña after their meeting on June 17.

President Reagan

President Magaña and I have had a cordial and a very useful exchange of views on the situation in El Salvador and in Central America. At this time, his government is deeply involved in preparations for Presidential elections and is attempting through the Peace Commission to encourage the participation in the electoral process of all Salvadorans, including the extreme left. This is the true path of peace for that country.

We discussed the military situation in El Salvador. President Magaña also detailed his government's reform efforts, including the land reform program and the recently announced plan for judicial reform. He reaffirmed his government's commitment to human rights.

Regionally, our talks focused on the threat posed by Nicaragua to other countries in Central America. We reviewed the status of the Contadora initiative and the efforts of democratic countries in the region to find a peaceful solution.

President Magaña is a courageous and talented leader. He's making admirable progress in the difficult task of moving El Salvador toward democracy while at the same time coordinating a defense against Marxist-led guerrillas who would turn his country into a Cuban-style dictatorship. President Magaña, the Government of El Salvador, and the people of that brave country deserve and have our support. And it's a great pleasure to have you here.

President Magaña

Thank you for your encouraging words. We believe in democracy, liberty, and all the principles that have made this country great. We welcome your support, and we want a lasting peace through democracy. This is the summary of the remarks that I'm going to make.²



(White House photo by Bill Fitz-Patrick)

Message of the Constitutional President of the Republic of El Salvador, Dr. Alvaro Magaña, in the presence of the President of the United States of America, Ronald Reagan, on the occasion of the official visit of President Magaña to Washington, D.C.

My visit to the United States of America is made in order to strengthen the ties that have historically united us with this country.

It is a propitious opportunity to present to the people of the United States of America a true picture of my country and of the goals we have set within the context of the difficult conditions which confront us. These goals sustain our conviction that President Reagan is giving his support to a legitimate government, and to the just cause of the Salvadoran people for maintaining and consolidating a democratic system in accordance with the tradition of liberty and human solidarity which have constituted the basis for the birth and the greatness of the United States of America.

The situation in El Salvador is part of a world situation of economic crisis and ideological conflict. However, our problems are not solely the result of external factors. For a long time, social and economic inequalities have been obstacles to the full development of democracy. They have provided the opportunity for extrahemispheric interests, most particularly those of the Soviet Union and her satellites working through two Latin American countries to make us victims of their expansionistic policy.

Our government is the outcome of the electoral decision of the Salvadoran people, who on March 28, 1982, risked their lives in order to choose overwhelmingly and without doubt the democratic system as a preferred form of political organization. Consequently, my government is not the result of one or another ideological faction having prevailed; rather it is the clear and constitutional expression of the sovereign will of the people expressed in the most multitudinous free election known in our entire history.

With this legitimate mandate of the vast majority of Salvadorans the Government of National Unity was formed. On August 3, 1982, we adopted the basic platform, now known as the "Apaneca Pact." This pact includes the common objectives of the political parties expressed during the electoral campaign. These objectives included progress toward peace, democracy, full respect for human rights, consolidation of social reforms and economic recovery: all of which are being carried out in spite of the adverse circumstances, national and international, that we face.

In order to ensure the accomplishment of these objectives put forth by the platform, a political commission was set up. This commission being composed of the constitutional President of El Salvador, the Foreign Minister, the Defense Minister and representatives of the political parties. The commission is assisted by other organizations which are responsible for each of the specific objectives.

Respect for human life and the physical

integrity, along with the dignity of all Salvadorans is the responsibility of the Commission on Human Rights and the constant concern of my Government. I am pleased to say that in order to safeguard those human rights, we have adopted concrete and pragmatic measures, such as the granting of amnesty, accelerated consideration of cases involving political crimes, plans to reform legal procedures applicable to such crimes, cooperation with the International Red Cross, ministerial directives to the security forces to insure strict compliance to legal procedures, and other similar measures. One important step toward guaranteeing respect for human rights will be the judicial reform which is envisioned in the new constitution: independent judicial authority and an independent Attorney General, with sufficient authority and sufficient means to improve the administration of justice. Furthermore, the Attorney General will have the technical capability for the scientific investigation of crime.

The reduction in the gravity of conflicts resulting from the economic and social reforms has contributed to the strengthening of the democratic process which the Government of National Unity has committed itself to maintain and consolidate; well aware that they are important conditions for social stability, created in an atmosphere of confidence, and a determining factor in the exercise of democracy.

Convinced of the importance of the private sector to economic recovery, the Government of National Unity has sought to create a favorable climate for the growth of

private enterprise. The private sector has joined the public sector in forming a committee charged with economic recovery in El Salvador. These efforts at recovery face difficult obstacles caused primarily by low prices paid for our basic exports, increased prices of imports, and the problems of the Central American Common Market. To these I must add violence and the destruction of the infrastructure. Nonetheless, based on the spirit of diligence and sacrifice of the Salvadoran people, the economic cooperation of the United States of America, and a financial discipline of austerity which has permitted us to maintain tolerable rates of inflation and reasonable currency stability, my government has succeeded in reverting the declining trend of the economy.

The peace program of the Government of National Unity rests fundamentally upon the electoral process and on behalf of this government. I reaffirm that the solution to the problem of violence should be essentially democratic. Accordingly, elections with participation by all Salvadorans without distinction, constitute the only means to obtain a definitive and permanent peace in order to establish a pluralist system that insures democracy.

In view of the importance of the participation of all Salvadorans in the coming elections, in a spirit of good will and in order to create conditions favorable to this full participation, we have enacted a generous amnesty law. To date 500 political prisoners who were subject to the legal process, have been freed under this law.

In order to better achieve our objectives, the Peace Commission on May 31 of this year appealed to the political sector of the subversive elements for the establishing of a dialogue to determine conditions and guarantees for their participation in the next elections. This appeal has been repeated twice in recent days.

Just as the essence of democracy consists of the right of the citizens to elect their leaders and to confer political power on their representatives, negotiating away a portion of this political power would be a divestment and betrayal of the electorate. This my government would never commit.

Our program of peace is the genuine democratic alternative. In this way, peace will be the logical consequence of the democratic process which will be assured in the next electoral events. It will also result from respect for human rights, consolidation of the social reforms, and economic recovery. In summary, it will result from the combined efforts of all Salvadorans.

Foreign military intervention in domestic affairs constitutes the main obstacle to our efforts to attain peace. The interference of extracontinental communist countries by way of Cuba and Nicaragua in support of armed groups against a legitimate constitutionally elected government, is a form of aggression which violates the essence of international law, specifically the principle of non-intervention in the internal affairs of other states.

Faced with this situation, our armed forces have the constitutional obligation to defend the nation's sovereignty and to repel, in legitimate self-defense, the armed subversion that has been imposed upon us from abroad.

This external aggression has destroyed villages, forcing hundreds of thousands of humble Salvadorans to abandon their homes. It has subjected our productive facilities, our crops, our bridges and roads, our communication and transportation systems and the infrastructure of all public services to systematic destruction.

To alleviate this situation, integral programs have been commended to the "Commission for the Reconstruction of Specific Areas," coordinated by the armed forces and tending to bring normalcy of activities to the inhabitants of areas affected by violence, with the reestablishing of public services and the reconstruction of the infrastructures.

No one can dispute a nation's right to defend itself against external aggression and against the destruction of the scarce assets which in a developing country are produced at great sacrifice. For this reason, we have the right to understanding and solidarity of all free nations of the world. For these reasons we have the right to the understanding and solidarity from all other free nations; as we have had from our Central American brothers, those with whom we share democratic ideals, and for whom I wish to express our gratitude.

El Salvador Commission Announces Peace Initiative

DEPARTMENT STATEMENT,
JUNE 2, 1983¹

In a declaration to all Salvadorans widely publicized over the past 2 days by the Salvadoran media, the Salvadoran Peace Commission has reaffirmed that "the solution to the problem of violence should be essentially political and democratic" and appealed to all armed groups to participate peacefully in democratic elections scheduled for later this year. In its declaration, the Peace Commission called on the leftist Revolutionary Democratic Front to begin a constructive dialogue for their peaceful incorporation into the "Salvadoran family." The commission also appealed to the armed guerrilla groups to participate in the democratic process, which allows the Salvadoran people themselves to choose the officials who will govern them,

noting that the government's amnesty is an important step in the process of political reconciliation.

We welcome this initiative, and it has our full support. As President Reagan indicated in his address before a joint session of Congress on April 27, we will support dialogue and negotiations within each country with the terms and conditions of participation in election being negotiable. "The United States," the President stated, "will work toward a political solution in Central America which will serve the interests of the democratic process." This recent initiative by the Government of El Salvador is very much in support of this objective.

¹Made available to news correspondents by acting Department spokesman Alan Romberg. ■

Sugar Imports From Central America

**WHITE HOUSE ANNOUNCEMENT,
MAY 10, 1983¹**

The President today announced changes in the Administration of the quota on U.S. imports of sugar for four Central American countries. The quota for Nicaragua will be reduced to 6,000 short tons (ST), and this reduction will be reallocated to three neighboring countries—Honduras, Costa Rica, and El Salvador. This action will become effective in fiscal year 1984 (which begins October 1, 1983).

The President is taking this action because of the extraordinary situation in Central America and its implications for the United States and the region as a whole, including Honduras, Costa Rica, and El Salvador. These three countries are experiencing enormous problems, caused in considerable part by Nicaraguan-supported subversion and extremist violence. The additional quota for these three countries represents a total of roughly \$14 million in foreign exchange per year. This occurs because the U.S. internal price (21¢–22¢/lb.) in recent weeks is far higher than in most other markets of the world (6¢–7¢/lb). The transfer of the Nicaraguan quota will significantly benefit the recipient countries.

By denying to Nicaragua a foreign exchange benefit resulting from the high U.S. sugar price, we hope to reduce the resources available to that country for financing its military buildup and its support for subversion and extremist violence in the region.

This is a signal of the U.S. seriousness with regard to the economic and political stability of its neighbors in the hemisphere which is integrally related to the security of the region and the United States. The United States will continue to respond to developments in that region.

The sugar quota decision does not affect our continued willingness to talk with the Nicaraguans about regional issues. We are ready to maintain as positive a relationship with Nicaragua as warranted by Nicaraguan actions.

Nicaragua's present quota is 58,800 ST, while that for Honduras is 28,000 ST; for Costa Rica 42,000 ST; and for El Salvador 72,800 ST.

The transfer from the Nicaraguan quota will be allocated to the countries as follows: Honduras 52%, Costa Rica 30%, and El Salvador 18%. This allocation is based on a comparison of actual recent shipments (1979–81) to the United States from these countries and their present quotas (which are derived from shipment shares from 1975 to 1981). Consequently, the country which has had the fastest growth of its sugar industry and exports since 1975—Honduras—will receive the largest share of the transferred quota.

This is not a fundamental change in the overall sugar program. The quotas of all countries other than the four specified above are unchanged and continue to be based on the formula announced in May 1982, when the quota program was initiated.

¹Text from Weekly Compilation of Presidential Documents of May 16, 1983. ■

El Salvador has not responded to aggression with aggression, nor to intervention with intervention. Last year, with a peace loving spirit we proposed a regional dialogue to strengthen democratic institutions, to end the arms race and the arms traffic, and to improve commercial and economic relations. With the same spirit we accepted the initiative of the "Grupo Contadora," whose invitations we have always responded to positively.

With the future of democracy in our country in great peril, we do know how to appreciate and be grateful for the solidarity and sympathy that President Reagan has clearly expressed for our cause, both in public and in private, and has responded with concrete and significant action.

El Salvador fights not only for the survival of its own democratic system; we also defend western democracy. For this reason I want to appeal to the honorable members of the United States of America's Congress to support the efforts of President Reagan to aid El Salvador. This assistance strengthens the cause of democracy in the Central American region. A weak, vacillating commitment endangers peace and hemispheric security. For this reason the people of the United States must fully understand that we face a common threat.

Our aspirations have been incorporated into the draft of the political constitution that the Constituent Assembly of El Salvador will debate and vote upon in the next days. Therein will be established the constitutional guarantees for the great objectives of the Government of National Unity first embodied in the "Apaneca Pact," and will become a permanent reality.

El Salvador, my small country, is an example of a newborn democracy defending its blood the democratic system of the western world against a totalitarian Communist regime.

El Salvador reaffirms its unwavering commitment to the defense of peace, democracy and liberty with the understanding and solidarity of all free nations.

¹Text from Weekly Compilation of Presidential Documents of June 20, 1983.

²At this point, President Magana, whose opening remarks were delivered in English, read in Spanish from a text. As printed, the remainder of this item follows the text, as prepared by the Salvadoran Government and made available by the Office of the White House Press Secretary. ■

Cuban Involvement in Narcotics Trafficking

by James H. Michel

Statement before the Subcommittee on Security and Terrorism of the Senate Judiciary Committee and the Subcommittee on Western Hemisphere Affairs of the Senate Foreign Relations Committee on April 30, 1983. Mr. Michel is Deputy Assistant Secretary for Inter-American Affairs.¹

I am very pleased to appear before you to testify on Cuba's involvement in narcotics trafficking. This is a subject of importance to the Administration. We have been following closely events relating to this drug traffic because it is a clear and evident danger to the United States.

In his testimony on March 12 of last year, Assistant Secretary [for Inter-American Affairs Thomas O.] Enders described to you the first detailed and reliable information we had obtained linking Cuba to trafficking in narcotics as well as arms. Much of that information was based on the activities of Colombian drug trafficker, Jaime Guillot Lara, who was in custody in Mexico.

Since that time, four high Cuban officials have been indicted by a Florida grand jury, and the United States has developed new evidence from a variety of independent sources confirming that Cuban officials have facilitated narcotics trafficking through the Caribbean for at least the past 2 years. They have done so by developing a relationship with key Colombian drug runners who, on Cuba's behalf, purchased arms and smuggled them to Cuban-backed insurgent groups in Colombia. In return, the traffickers received safe passage of ships carrying cocaine, marijuana, and methaqualone through Cuban waters to the United States.

We are now able to provide some further details on the Cuban-Colombian traffickers' M-19 nexus. We are also prepared to provide briefings on more sensitive information—in a closed session.

We now have information that Guillot started his narcotics trafficking activity under official Cuban protection during the summer of 1980. His arrangement with the Cuban authorities assured him safe passage through Cuban waters in return for payoffs at the Cuban Coast Guard station on the Cuban north coast across from Andros Island, The Bahamas.

In addition to provision of safe passage, Cuban officials maintained close coordination with Guillot. His contacts included, at the Cuban Embassy in Bogota, Ambassador Fernando Ravelo Renedo and Minister Counselor Gonzalo Bassols Suarez, both members of the American Department of the Cuban Communist Party's Central Committee. He also dealt with an America Department official in the Cuban Embassy in Mexico. Bassols urged Guillot to work with the M-19. In November 1981 he reportedly "loaned" Guillot \$10,000 with which to purchase 500 kilograms of cocaine on behalf of the M-19 and arrange its shipment to the United States. We also know that Guillot, fearing arrest by the Mexican authorities, at one point considered taking refuge in the Cuban Embassy in Mexico to avoid arrest and was told by a Cuban contact there that "Fidel" had instructed the Cuban Embassy to protect him.

At one point, Guillot received a Nicaraguan visa from the Nicaraguan Ambassador to Mexico, who apparently acted on a request from M-19 military leader Bateman. We know from separate sources that in early 1982 the Nicaraguan Government was negotiating the sale of a DC-6 aircraft to a known Colombian drug runner. Whether or not this indicates a Nicaraguan role is not clear from the information available, but this is something we will be examining closely.

We have a report that the Communist Party Presidium, and specifically Fidel Castro, in early 1979 considered a scheme to begin dealing with narcotics smugglers using Cuba as a bridge and support base for the networks to the United States as a means to aid Cuba economically and to contribute to the deterioration of American society. Also during an interview with Colombian journalists in October 1982, Fidel Castro described Guillot as a "good friend of Cuba." Castro's later statement to the "Caracol" Colombian news agency in January 1983 that Cuba detains some Americans involved in narcotics trafficking is true in itself, but this does not preclude Cuba from also using the drug weapon as it sees fit.

We cannot expect the Cuban Government to acknowledge its involve-

ment in drug trafficking to the United States. But the evidence clearly indicates more than a case of corruption by local or mid-level security officials in Cuba. The association with Guillot of the Cuban Embassies in Mexico City and Bogota and officers from the America Department of the Cuban Communist Party Central Committee gives strong indication of official policy approval.

Narcotics trafficking has apparently been sanctioned by Cuba as a means to finance subversion in Latin America. The Administration is determined to discover the exact extent of Cuban involvement in narcotics. Let me assure you that we attach a particularly high priority to any evidence of Cuba's use of narcotics as a weapon against this country.

¹The complete transcript of the hearings will be published by the committees and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Return of Certain Mariel Cubans

The chief of the Cuban Interests Section in Washington was requested on May 25 by Assistant Secretary for Inter-American Affairs Thomas O. Enders to ask his government to take back certain Cuban nationals who came to the United States in the Mariel boatlift of 1980.

During that period, some 125,000 Cubans entered the United States without authorization. The vast majority were law abiding, were allowed to join relatives and friends, and soon found homes and employment. A few thousand were detained by the Immigration and Naturalization Service because of serious criminal conduct in Cuba. Many of these remain in detention. Additionally, others have been convicted of crimes in this country and have served or are currently serving sentences in State or local prisons. Finally, some are ineligible to remain in the United States for other substantive reasons. The Cuban Government has refused to take back any of these persons.

Under Section 243(g) of the Immigration and Nationality Act, the Department is required to discontinue the issuance of immigrant visas in any

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country upon notification by the Attorney General that said country, upon request, denies or unduly delays acceptance of the return of its nationals found ineligible to remain in the United States under U.S. immigration law. The Attorney General has so notified the Secretary of State.

Coincident with the Mariel boatlift, the U.S. Interests Section in Havana was obliged to discontinue the issuance of visas because hundreds of Cuban applicants, seeking escape from Cuban police action outside the building, took refuge in its premises. The section later resumed the issuance of nonimmigrant visas and of immigrant visas to immediate relatives (spouses, minor children, and parents) of U.S. citizens and to certain U.S. permanent residents who had been in Cuba for protracted stays, but continued not issuing immigrant visas to other applicants.

With the concurrence of the Attorney General, and pursuant to regulatory authority, the U.S. Interests Section in Havana will continue its current policy of issuing immigrant visas in the above categories. We will also continue issuing nonimmigrant visas in Havana, as well as immigrant visas in all categories to Cuban applicants in third countries. Once all the Cuban nationals who came with the Mariel boatlift who are ineligible to remain in the United States for substantive reasons have been returned to Cuba, the way will be clear for the U.S. Interests Section in Havana to resume issuance of immigrant visas in all categories to Cuban applicants.

Finally, we wish to make it very clear that members of the Cuban community who came with the Mariel boatlift and who maintain "Cuban-Haitian entrant" status will not be affected by this initiative. Neither will members of the Cuban-American community who came before Mariel.

Press release 192 of May 25, 1983. ■

Current Actions

MULTILATERAL

Antarctica

Antarctic treaty. Signed at Washington Dec. 1, 1959. Entered into force June 23, 1961. TIAS 4780.

Accession deposited: China, June 8, 1983.

Arbitration

Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force June 7, 1959; for the U.S. Dec. 29, 1970. TIAS 6997.

Notification of succession: Djibouti, June 14, 1983.

Astronauts

Agreement on the rescue of astronauts, the return of astronauts, and the return of objects launched into outer space. Done at Washington, London, and Moscow Apr. 22, 1968. Entered into force Dec. 3, 1968. TIAS 6599.

Accession deposited: Japan, June 20, 1983.

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague Dec. 16, 1970. Entered into force Oct. 14, 1971. TIAS 7192.

Accession deposited: Democratic People's Republic of Korea,¹ Apr. 28, 1983.

Protocol on the authentic quadrilingual text of the convention on international civil aviation (TIAS 1591), with annex. Done at Montreal September 30, 1977.²

Acceptance deposited: Austria, May 4, 1983.

Coffee

International coffee agreement 1983, with annexes. Done at London Sept. 16, 1982.²

Signatures: Austria, Paraguay, June 15, 1983; Burundi, Costa Rica, May 19, 1983; Cameroon, Ivory Coast, June 13, 1983; Cyprus, June 7, 1983; Dominican Republic, Guatemala, Italy, June 16, 1983; El Salvador, Sri Lanka, June 20, 1983; Greece, May 20, 1983; Japan, June 1, 1983; Kenya, May 17, 1983; Nicaragua, Togo, June 17, 1983; Papua New Guinea, June 21, 1983; Zaire, June 3, 1983.

Acceptance deposited: Japan, June 1, 1983.

Extension of the international coffee agreement, 1976 (TIAS 8683). Done at London Sept. 25, 1981. Entered into force Oct. 1, 1982. TIAS 10439.

Definitive acceptance deposited: Greece, June 10, 1983.

Commodities—Common Fund

Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.²

Signatures: Colombia, June 14, 1983;

Dominican Republic, June 15, 1983;

Guatemala, June 1, 1983; Guyana,

Madagascar, Thailand, Zimbabwe, June 8,

1983; Sao Tome and Principe, Suriname,

June 20, 1983.

Acceptance deposited: Netherlands, June 9, 1983.

Ratifications deposited: Guinea-Bissau,

June 7, 1983; Pakistan, June 9, 1983.

Cultural Relations—UNESCO

Protocol to the agreement on the importation of educational, scientific, and cultural materials of Nov. 22, 1950 (TIAS 6129).

Adopted at Nairobi Nov. 26, 1976. Entered into force Jan. 2, 1982.³

Ratification deposited: Belgium, June 6, 1983.

Customs

International convention on the simplification and harmonization of customs procedures, with annexes. Signed at Kyoto May 18, 1973. Entered into force Sept. 25, 1974.³

Senate advice and consent to ratification:

June 21, 1983.

Education—UNESCO

Convention on the recognition of studies, diplomas, and degrees concerning higher education in the states belonging to the Europe Region. Done at Paris Dec. 21, 1979. Entered into force Feb. 19, 1982.³

Ratifications deposited: Italy, Jan. 20, 1983;

San Marino, Apr. 15, 1983.

Environmental Modification

Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977. Entered into force Oct. 5, 1978; for the U.S. Jan. 17, 1980. TIAS 9614.

Ratification deposited: F.R.G., May 24, 1983.

Judicial Procedure

Convention abolishing the requirement of legalization for foreign public documents, with annex. Done at The Hague Oct. 5, 1961. Entered into force Jan. 24, 1965; for the United States Oct. 15, 1981. TIAS 10072.

Signature: Norway, May 30, 1983.

Ratification deposited: Norway, May 30, 1983.

Jute

International agreement on jute and jute products, 1982, with annexes. Done at Geneva Oct. 1, 1982. Enters into force July 1, 1983, or any date thereafter, if by that date certain requirements have been met.

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Signatures: Bangladesh, Feb. 11, 1983; Belgium, Luxembourg, May 16, 1983; Denmark, EEC, F.R.G., Ireland, Italy, June 6, 1983; Egypt, June 20, 1983; Finland, Norway, Sweden, Jan. 14, 1983; France, Apr. 19, 1983; Greece, May 20, 1983; Japan, Mar. 18, 1983; Netherlands, Feb. 15, 1983; U.S., June 24, 1983.

Notifications of provisional application deposited: Belgium, EEC, F.R.G., Italy, Luxembourg, Netherlands, June 6, 1983; France, Apr. 19, 1983.
Acceptance deposited: Japan, June 1, 1983.
Ratification deposited: Denmark, June 6, 1983.

Marine Pollution

International convention on civil liability for oil pollution damage. Done at Brussels Nov. 29, 1969. Entered into force June 19, 1975.³

Acceptance deposited: Guatemala, Oct. 20, 1982.

Accessions deposited: Sri Lanka, Apr. 12, 1983; Vanuatu, Feb. 2, 1983.

International convention relating to intervention on the high seas in cases of oil pollution casualties, with annex. Done at Brussels Nov. 29, 1969. Entered into force May 6, 1975. TIAS 8068.

Accession deposited: Sri Lanka, Apr. 12, 1983.

Territorial application: Extended by the U.K. to Anguilla, British Virgin Islands, Cayman Islands, Falkland Islands and Dependencies, Montserrat, Pitcairn, Henderson, Ducie and Oeno Islands, St. Helena and Dependencies, Turks and Caicos Islands, U.K. Sovereign Base Areas of Akrotiri and Dhekelia on the Island of Cyprus, Sept. 8, 1982.

Maritime Matters

Amendments to the convention of Mar. 6, 1948, as amended, on the International Maritime Organization (TIAS 4044, 6285, 6490, 8606, 10374). Adopted at London Nov. 17, 1977.²
Acceptance deposited: Italy, June 13, 1983.

Amendments to the convention of Mar. 6, 1948, as amended, on the International Maritime Organization (TIAS 4044, 6285, 6490, 8606, 10374). Adopted at London Nov. 15, 1979.²
Acceptances deposited: Argentina, Italy, July 13, 1983; France, Tanzania, May 26, 1983; Senegal, Togo, Yemen (Aden), June 20, 1983.

Marriage

Convention on consent to marriage, minimum age for marriage and registration of marriages. Done at New York Dec. 10, 1962. Entered into force Dec. 9, 1964.³
Accession deposited: Venezuela, May 31, 1983.

Nuclear Material—Physical Protection

Convention on the physical protection of nuclear material, with annexes. Done at Vienna Oct. 26, 1979.²

Ratification deposited: U.S.S.R.,¹ May 25, 1983.

Postal

General regulations of the Universal Postal Union, with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Done at Rio de Janeiro Oct. 26, 1979. Entered into force July 1, 1981. TIAS 9972.

Accession deposited: Guatemala, Dec. 16, 1982.

Approvals deposited: Monaco, Dec. 27, 1982;

Papua New Guinea, Jan. 18, 1983; Sweden, Mar. 23, 1983.

Ratification deposited: Kenya, Mar. 24, 1983.

Money orders and postal traveler's checks agreement, with detailed regulations with final protocol. Done at Rio de Janeiro Oct. 26, 1979. Entered into force July 1, 1981. TIAS 9973.

Approvals deposited: Monaco, Dec. 27, 1982; Sweden, Mar. 23, 1983.

Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Adopted at New York Dec. 21, 1965. Entered into force Jan. 4, 1969.³

Accession deposited: Dominican Republic, May 25, 1983.

Safety at Sea

International convention for the safety of life at sea, 1974, with annex. Done at London Nov. 1, 1974. Entered into force May 25, 1980. TIAS 9700.

Accession deposited: Fiji, Mar. 4, 1983.

Ratification deposited: Venezuela, Mar. 29, 1983.

Protocol of 1978 relating to the international convention for the safety of life at sea, 1974 (TIAS 9700). Done at London Feb. 17, 1978. Entered into force May 1, 1981. TIAS 10009.
Accession deposited: G.D.R., Apr. 28, 1983.

Space

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow Mar. 29, 1972. Entered into force Sept. 1, 1972; for the U.S. Oct. 9, 1973. TIAS 7762.

Accession deposited: Japan, June 20, 1983.

Convention on registration of objects launched into outer space. Done at New York Jan. 14, 1975. Entered into force Sept. 15, 1976. TIAS 8480.

Accession deposited: Japan, June 20, 1983.

Terrorism

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Adopted at New York Dec. 14, 1973. Entered into force Feb. 20, 1977. TIAS 8532.
Accession deposited: Korea, May 25, 1983.

Tonnage

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969. Entered into force July 18, 1982; for the U.S., Feb. 10, 1983. TIAS 10490.

Acceptance deposited: Kuwait, Mar. 2, 1983.

Trade

Convention on contracts for the international sale of goods. Done at Vienna Apr. 11, 1980.²
Ratification deposited: Hungary, June 16, 1983.

Convention on the limitation period in the international sale of goods. Done at New York June 12, 1974, and Protocol done at Vienna Apr. 11, 1980.²
Ratification deposited: Hungary, June 16, 1983.

Agreement on government procurement. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1981. TIAS 10403.

Acceptance deposited: Israel, May 30, 1983.

Agreement on implementation of art. VII of the General Agreement on Tariffs and Trade (customs valuation). Done at Geneva Apr. 12, 1979, and Protocol done at Geneva Nov. 1, 1979. Entered into force Jan. 1, 1981. TIAS 10402.

Acceptance deposited: South Africa, June 1, 1983.

U.N. Industrial Development Organization

Constitution of the U.N. Industrial Development Organization, with annexes. Adopted at Vienna Apr. 8, 1979.²

Ratifications deposited: Congo, May 16, 1983; Greece, June 10, 1983.

Senate advice and consent to ratification: June 21, 1983.⁴

Weapons

Convention on prohibitions or restrictions on the use of certain conventional weapons which may be deemed to be excessively injurious or to have indiscriminate effects, with annexed Protocols. Adopted at Geneva Oct. 10, 1980.

Ratifications and acceptances deposited: Poland, June 2, 1983; Yugoslavia, May 24, 1983.

Enters into force: Dec. 2, 1983.⁵

Whaling

International whaling convention and schedule of whaling regulations. Done at Washington Dec. 2, 1946. Entered into force Nov. 10, 1948. TIAS 1849.

Adherence deposited: Mauritius, June 17, 1983.

Wheat

1983 protocol for the further extension of the wheat trade convention, 1971 (TIAS 7144). Done at Washington Apr. 4, 1983. Entered into force July 1, 1983.

Acceptance deposited: Japan, June 6, 1983.

Ratifications deposited: Korea, Mauritius, June 17, 1983.

Declarations of provisional application

deposited: Guatemala, June 14, 1983;

Portugal, June 15, 1983.

1983 protocol for the further extension of the food aid convention, 1980 (TIAS 10015).

Done at Washington Apr. 4, 1983. Entered into force July 1, 1983.

Acceptance deposited: Japan, June 6, 1983.

Women

Convention on the political rights of women.

Done at New York Mar. 31, 1953. Entered into force July 7, 1954; for the U.S. July 7, 1976. TIAS 8289.

Accession deposited: Venezuela, May 31, 1983.

Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.³

Signatures: Cameroon, June 6, 1983; Korea, May 25, 1983.

Ratification deposited: Greece, June 7, 1983.

World Health Organization

Constitution of the World Health Organization. Done at New York July 22, 1946. Entered into force Apr. 7, 1948. TIAS 1808. Acceptance deposited: Solomon Islands, Apr. 4, 1983.

Amendments to arts. 24 and 25 of the Constitution of the World Health Organization (TIAS 1808, 8086, 8534). Adopted at Geneva May 17, 1976, by the 29th World Health Assembly.²

Acceptances deposited: Benin, Hungary, May 4, 1983; Italy, May 17, 1983; Jordan, June 10, 1983; Zaire, May 2, 1983.

BILATERAL**Antigua and Barbuda**

Convention between the U.S. and the U.K. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124, 6089).

Agreement between the U.S. and the U.K. relating to the application of the income tax convention of Apr. 16, 1945, as modified, to specified British territories. Signed at Washington Aug. 19, 1957, and Dec. 3, 1958. Entered into force Dec. 3, 1958; for Antigua Jan. 19, 1959. TIAS 4141.

Notification of termination by Antigua and Barbuda: Feb. 26, 1983; effective Aug. 26, 1983.

Argentina

Agreement amending the agreement of Dec. 4, 1970 (TIAS 7022) establishing the OMEGA navigation station. Signed at Washington May 11, 1983. Entered into force May 11, 1983.

Barbados

Convention between the U.S. and the U.K. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124, 6089).

Agreement between the U.S. and the U.K. relating to the application of the income tax convention of Apr. 16, 1945, as modified, to specified British territories. Signed at Washington Aug. 19, 1957, and Dec. 3, 1958. Entered into force Dec. 3, 1958. TIAS 4141. Notification by the U.S. of termination of extension to Barbados: June 28, 1983; effective Jan. 1, 1984.

Belgium

General administrative agreement relating to participation in severe nuclear accident research programs. Signed at Washington and Brussels Mar. 29 and Apr. 18, 1983. Entered into force Apr. 18, 1983; effective Feb. 10, 1983.

Belize

Convention between the U.S. and the U.K. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124, 6089).

Agreement between the U.S. and the U.K. relating to the application of the income tax convention of Apr. 16, 1945, as modified, to specified British territories. Signed at Washington Aug. 19, 1957, and Dec. 3, 1958. Entered into force Dec. 3, 1958. TIAS 4141. Notification by the U.S. of termination of extension to Belize: June 28, 1983; effective Jan. 1, 1984.

Brazil

Agreement extending the agreement of Dec. 1, 1971, as amended and extended, relating to a program of scientific and technological cooperation (TIAS 7221). Effected by exchange of notes at Brasilia May 31, 1983. Entered into force May 31, 1983.

Burundi

Agreement between the U.S. and Belgium relating to the extension to the Belgian Congo and Ruanda-Urundi of the convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income of Oct. 28, 1948, as amended (TIAS 2833, 4280). Effected by exchange of notes at Washington Apr. 2, 1954, and July 28, 1959. Entered into force July 28, 1959. TIAS 4280.

Notification by U.S. of termination of extension to Burundi: June 28, 1983; effective Jan. 1, 1984.

Canada

Protocol amending the convention with respect to taxes on income and on capital of Sept. 26, 1980.² Signed at Ottawa June 14, 1983. Enters into force upon the exchange of instruments of ratification.

Chad

Agreement concerning the provision of training related to defense articles under the U.S. International Military Education and Training (IMET) Program. Effected by exchange of notes at N'Djamena Feb. 22 and Apr. 22, 1983. Entered into force Apr. 22, 1983.

Cook Islands

Treaty on friendship and delimitation of the maritime boundary between the U.S. and the Cook Islands. Signed at Rarotonga June 11, 1980.

Senate advice and consent to ratification: June 21, 1983.

Costa Rica

Agreement amending the agreement for sales of agricultural commodities and memorandum of understanding of Oct. 20, 1982. Signed at San Jose Apr. 26, 1983. Enters into force when the importer country notifies the exporter country that all constitutional requirements have been met.

Djibouti

Investment incentive agreement. Effected by exchange of notes at Djibouti May 11, 1983. Entered into force May 11, 1983.

Dominica

Convention between the U.S. and the U.K. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124, 6089).

Agreement between the U.S. and the U.K. relating to the application of the income tax convention of Apr. 16, 1945, as modified, to specified British territories. Signed at Washington Aug. 19, 1957, and Dec. 3, 1958. Entered into force Dec. 3, 1958. TIAS 4141. Notification by the U.S. of termination of extension to Dominica: June 28, 1983; effective Jan. 1, 1984.

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Gambia

Convention between the U.S. and the U.K. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124).

Agreement between the U.S. and the U.K. relating to the application of the income tax convention of Apr. 16, 1945, as modified, to specified British territories. Signed at Washington Aug. 19, 1957, and Dec. 3, 1958. Entered into force Dec. 3, 1958. TIAS 4141. Notification by the U.S. of termination of extension to The Gambia: June 28, 1983; effective Jan. 1, 1984.

Germany, Federal Republic of

Agreement relating to severe nuclear accident research programs. Signed at Washington and Karlsruhe Mar. 29 and Apr. 15, 1983. Entered into force Apr. 15, 1983.

Grenada

Convention between the U.S. and the U.K. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124, 6089).

Agreement between the U.S. and the U.K. relating to the application of the income tax convention of Apr. 16, 1945, as modified, to specified British territories. Signed at Washington Aug. 19, 1957, and Dec. 3, 1958. Entered into force Dec. 3, 1958. TIAS 4141. Notification by the U.S. of termination of extension to Grenada: June 28, 1983; effective Jan. 1, 1984.

Haiti

Agreement for sale of agricultural commodities, relating to the agreement of June 8, 1979, with memorandum of understanding. Signed at Port-au-Prince June 8, 1983. Entered into force June 8, 1983.

Israel

Arrangement for the exchange of technical information and cooperation in nuclear safety matters, with addenda. Signed at Washington Apr. 11, 1983. Entered into force Apr. 11, 1983.

Kiribati

Treaty of friendship with agreed minutes. Signed at Tarawa Sept. 20, 1979. Senate advice and consent to ratification: June 21, 1983.

Malawi

Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed, or insured by the U.S. Government and its agencies, with annexes. Signed at Lilongwe Mar. 10, 1983. Entered into force May 16, 1983.

Agreement continuing in force between the U.S. and Malawi the convention between the U.S. and the U.K. of Apr. 16, 1945, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, as amended (TIAS 1546, 3165, 4124). Effected by exchange of notes at Zomba and Blantyre Dec. 17, 1966, Jan. 6 and Apr. 4, 1967. Entered into force Apr. 4, 1967. TIAS 6328.

Notification of termination by the U.S.: June 28, 1983; effective Jan. 1, 1984.

Mexico

Convention for the recovery and return of stolen or embezzled vehicles and aircraft. Signed at Washington Jan. 15, 1981. Instruments of ratification exchanged:

June 28, 1983.

Entry into force: June 28, 1983.

Netherlands

Agreement relating to severe nuclear accident research programs. Signed at Washington and Petten Mar. 29 and Apr. 11, 1983. Entered into force Apr. 11, 1983; effective Feb. 15, 1983.

New Zealand

Treaty on the delimitation of the maritime boundary between Tokelau and the U.S. Signed at Atafu Dec. 2, 1980.

Senate advice and consent to ratification:

June 21, 1983.

Pakistan

Agreement for sales of agricultural commodities, relating to the agreement of Mar. 25, 1980 (TIAS 9782). Signed at Islamabad May 15, 1983. Entered into force May 15, 1983.

Romania

Agreement amending and extending the agreement of Dec. 4, 1973, relating to civil air transport, as renewed and amended (TIAS 7901, 9431), with related letters. Effected by exchange of notes at Bucharest Apr. 22 and 28, 1983. Entered into force Apr. 28, 1983; effective Jan. 31, 1983.

Rwanda

Agreement between the U.S. and Belgium relating to the extension to the Belgian Congo and Ruanda-Urundi of the convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income of Oct. 28, 1948, as amended (TIAS 2833, 4280). Effected by exchange of notes at Washington Apr. 2, 1954, and July 28, 1959. Entered into force July 28, 1959. TIAS 4280.

Notification by the U.S. of termination of extension to Rwanda: June 28, 1983; effective Jan. 1, 1984.

St. Lucia

Convention between the U.S. and the U.K. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124, 6089).

Agreement between the U.S. and the U.K. relating to the application of the income tax convention of Apr. 16, 1945, as modified, to specified British territories. Signed at Washington Aug. 19, 1957, and Dec. 3, 1958. Entered into force Dec. 3, 1958. TIAS 4141. Notification by the U.S. of termination of extension to St. Lucia: June 28, 1983; effective Jan. 1, 1984.

St. Vincent and The Grenadines

Convention between the U.S. and the U.K. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124, 6089).

Agreement between the U.S. and the U.K. relating to the application of the income tax convention of Apr. 16, 1945, as modified, to specified British territories. Signed at Washington Aug. 19, 1957, and Dec. 3, 1958. Entered into force Dec. 3, 1958. TIAS 4141. Notification by the U.S. of termination of extension of St. Vincent and The Grenadines: June 28, 1983; effective Jan. 1, 1984.

Seychelles

Convention between the U.S. and the U.K. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124, 6089).

Agreement between the U.S. and the U.K. relating to the application of the income tax convention of Apr. 16, 1945, as modified, to specified British territories. Signed at Washington Aug. 19, 1957, and Dec. 3, 1958. Entered into force Dec. 3, 1958. TIAS 4141. Notification by the U.S. of termination of extension to Seychelles: June 28, 1983; effective Jan. 1, 1984.

Sierra Leone

Agreement for sales of agricultural commodities, relating to the agreement of Aug. 31, 1978 (TIAS 9210). Signed at Freetown Apr. 29, 1983. Entered into force Apr. 29, 1983.

Convention between the U.S. and the U.K. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124).

CHRONOLOGY

Agreement between the U.S. and the U.K. relating to the application of the income tax convention of Apr. 16, 1945, as modified, to specified British territories. Signed at Washington Aug. 19, 1957, and Dec. 3, 1958. Entered into force Dec. 3, 1958. TIAS 4141. Notification by the U.S. of termination of extension to Sierra Leone: June 29, 1983; effective Jan. 1, 1984.

Spain

Agreement amending the agreement of Jan. 29, 1964, as amended (TIAS 5533, 5896, 6714), for a tracking and data acquisition station. Effected by exchange of notes at Madrid Feb. 1 and May 2, 1983. Entered into force May 2, 1983.

Sri Lanka

Agreement amending the agreement for sales of agricultural commodities of Oct. 29, 1982 (TIAS 10596). Signed at Colombo Apr. 20, 1983. Entered into force Apr. 20, 1983.

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Colombo May 10, 1983. Entered into force May 10, 1983; effective May 1, 1983.

Thailand

Agreement amending the agreement of Oct. 4, 1978, as amended and extended (TIAS 9215, 9462, 9643, 9717, 9937, 10153, 10368, 10461), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Bangkok Apr. 15 and 28, 1983. Entered into force Apr. 28, 1983.

Tuvalu

Treaty of Friendship. Signed at Funafuti Feb. 7, 1979.

Senate advice and consent to ratification: June 21, 1983.

United Kingdom

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124, 6089). Notification by U.S. of termination of extension to Falkland Islands, Montserrat, St. Christopher-Nevis-Anguilla: June 28, 1983; effective Jan. 1, 1984.

Zaire

Agreement between the U.S. and Belgium relating to the extension to the Belgian Congo and Ruanda-Urundi of the convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income of Oct. 28, 1948, as amended (TIAS 2833, 4280). Effected by exchange of notes at Washington Apr. 2, 1954, and July 28, 1959. Entered into force July 28, 1959. TIAS 4280. Notification by U.S. of termination of extension to Zaire: June 28, 1983; effective Jan. 1, 1984.

Zambia

Convention between the U.S. and the U.K. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington Apr. 16, 1945, as amended (TIAS 1546, 3165, 4124).

Agreement between the U.S. and the U.K. continuing in force for Southern Rhodesia, Northern Rhodesia, and Nyasaland individually the income tax convention of Apr. 16, 1945, as modified. Effected by exchange of notes at Washington Dec. 31, 1963. Entered into force Dec. 31, 1963. TIAS 5501. Notification by the U.S. of termination of extension to Zambia: June 28, 1983; effective Jan. 1, 1984.

¹With reservation.

²Not in force.

³Not in force for the U.S.

⁴With understandings.

⁵Not for the U.S. ■

June 1983

June 1

In Manila, U.S.-Philippines sign memorandum of agreement concluding review of U.S.-Philippines Military Bases Agreement.

June 3

On behalf of President Reagan, Secretary Shultz transmits the 14th semiannual Report on the Implementation of the Helsinki Final Act to Chairman Dante Fascell of the Commission on Security and Cooperation in Europe. The report covers the period December 1, 1982, through May 31, 1983.

June 4

Louis C. Thomas, an attache at the U.S. Embassy, Moscow, is declared *persona non grata* by the Soviet Union for alleged espionage activities.

June 6

Nicaraguan Government expels three U.S. diplomats accusing them of attempting to "destabilize" the Sandinista government. The three are Linda M. Pfeifel, chief of embassy's political section; David N. Greig, political officer; and Ermila L. Rodriguez, second secretary. U.S. protests the expulsions and rejects Nicaraguan Government's allegations.

Ivory Coast President Felix Houphouet-Boigny makes a state visit to the U.S. June 6-12 and to Washington, D.C., June 6-9.

June 6-July 3

Sixth U.N. Conference on Trade and Development (UNCTAD) is held in Belgrade, Yugoslavia. Deputy Secretary Kenneth Dam leads the U.S. delegation, attending the conference June 10-14.

June 7

Nicaraguan Ambassador to Washington is informed by the Acting Assistant Secretary of

State for Inter-American Affairs that in response to Nicaragua's expulsion of U.S. diplomats June 6, the U.S. requires the closing of six Nicaraguan consular posts in the U.S. and the departure of Nicaraguan officials and staff assigned to them.

June 8

President Reagan announces that he is directing U.S. START negotiators to adjust the U.S. position by relaxing the current proposal for an 850 deployed ballistic missile limit. The U.S., however, retains the goal of a reduction in ballistic missile warheads to 5,000. This charge reflects the recommendations of the Scowcroft commission and consultation with the Congress.

In Geneva, U.S. and Soviet Union resume strategic arms reduction talks after a 10-week recess.

June 9

State Department publishes and issues a special report entitled "Security and Arms Control: The Search for a More Stable Peace." The report examines the contribution of arms control to security, discusses the state of negotiations in principal areas of arms control, and sets forth the U.S. approach on security and arms control.

June 9-10

NATO ministerial meeting is held in Paris.

June 10

State Department announces that the U.S. will release an additional \$25 million in emergency food aid to drought-stricken African countries. The food will consist primarily of sorghum, corn, wheat, and vegetable oil. Prior to this announcement, 10 southern African countries received over \$68.2 million or about 250,000 tons of food through the U.S. PL 480 Food for Peace program.

President Reagan signs an Executive order extending the Scowcroft commission to January 3, 1984.

Results of general elections held June 9 in the United Kingdom show Prime Minister Margaret Thatcher's Conservative Party winning a majority of more than 100 seats over the combined opposition.

June 11-15

Australian Prime Minister Robert J.L. Hawke makes an official working visit to Washington, D.C.

June 13

The following newly appointed Ambassadors present their credentials to President Reagan: Gabriel Manueco of Spain; Abdallah Bouhabib of Lebanon; Dr. Jose Antonio Jarquin Toledo of Nicaragua; Guy-Landry Hazoume of Benin; and Richard Bertil Muller of Finland.

June 14

By a vote of 65-2, with 4 abstentions, Lebanese Parliament overwhelmingly approves its agreement with Israel for a withdrawal of Israeli troops from Lebanon.

June 14-16

As part of the 1982 U.N. General Assembly agreement between Secretary Shultz and Soviet Foreign Minister Gromyko, the State Department announces that the U.S. is holding a second round of bilateral consultations with the Soviet Union on nuclear non-proliferation issues.

June 16

General Secretary of the Communist Party, Yuriy Andropov, is elected to the position of Chairman of the Presidium of the Supreme Soviet, thereby now assuming all three posts previously held by Leonid I. Brezhnev.

June 16-18

Salvadoran President Alvaro Alfredo Magana Borja makes an official working visit to Washington, D.C.

June 18

Chinese National People's Congress elects Li Xiannian as president, the third chief of state since the communist takeover in 1949.

June 20-22

Spanish Prime Minister Felipe Gonzalez Marquez makes an official working visit to Washington, D.C.

June 20-July 1

As part of the 35th anniversary celebration of the Universal Declaration of Human Rights, a special seminar is held in Geneva to emphasize the positive side of countries' experiences in implementing international human rights standards. U.S. representative is Warren Hewitt, Director of the Office of Human Rights, Bureau of International Organization Affairs.

June 21

Honduran Congress authorizes establishment of U.S. training camps that will be used to teach Salvadoran soldiers to fight leftist rebels in El Salvador. The authorization was based on a 1954 U.S.-Honduran agreement.

Two U.S. journalists—Richard Gross, a freelance photographer for *U.S. News and World Report* and Dial Torgerson, a reporter for *The Los Angeles Times*—are killed while driving on a road in Honduras near the Nicaraguan border. The Honduran Government states that an anti-tank grenade was fired into Honduras from Nicaragua hitting the journalists' car and files a letter of protest with the Nicaraguan Foreign Minister sending copies to the U.N. Security Council, OAS, and the Contadora countries. Nicaraguan Foreign Ministry issues a statement denying charges.

June 23

U.S. Embassy in Managua protests Nicaraguan responsibility for the deaths of two U.S. journalists in Honduras.

June 22-23

U.S.-European Communities agree to establish an informal working group to discuss export subsidies and other forms of agricultural assistance to agricultural products. The group will attempt to "develop a

common approach" on ways to define and clarify internationally agreed upon rules on trade in agriculture.

June 23-July 7

Vice President Bush makes an official working visit to northern Europe to explain U.S. policy in Latin America. The Vice President visits London, June 23-25; West Germany, June 25; Norway, June 26-27, June 29-30; Sweden June 27-29; Finland, July 1-3; Denmark, July 3-4; Ireland, July 4-5; and Iceland, July 5-7.

June 23-July 8

Secretary Shultz makes an official working visit to East and South Asia and the Middle East. The Secretary will visit the Philippines June 25-26; Thailand, to address the opening session of the ASEAN Foreign Ministers' post-ministerial meeting and to hold discussions with the Royal Thai Government, June 26-29; India, June 30-July 2; and Pakistan, July 2-4; Saudi Arabia, July 3-4; Lebanon, July 5; Syria, July 5-6; Israel, July 6-7; and Jordan and Egypt, July 7. The Secretary returned to Washington on July 8.

June 24-25

Sixteenth ASEAN ministerial meeting is held in Bangkok.

June 27

President Reagan signs S.639, the Lebanon Emergency Assistance Act of 1983. The bill authorizes appropriation for reconstruction of the Lebanese economy, foreign military sales, loan guarantees, and military training of the Lebanese armed forces.

In Guam, U.S.-Marshall Islands reach agreement on a comprehensive settlement of all claims brought by inhabitants of the Islands arising from nuclear testing 30 years ago. The agreement, signed by U.S. Ambassador Fred M. Zeder, II, Personal Representative of the President for Micronesian Status Negotiations, and President of the Islands, Amata Kabua, ends 14 years of negotiations and also resolves a major obstacle blocking a proposed compact of free association.

June 27-30

UN World Food Council holds ninth ministerial conference in New York. The conference focuses on present food difficulties facing developing countries in light of current adverse economic conditions and concludes by adopting a consensus set of conclusions and recommendations expressing deep concern over excessive concentration of world grain supplies in North America. The Ministers conclude that in order to improve global food security, trade policies and practices must be improved, i.e., increased liberation of agricultural trade. The Ministers also reject the use of food as an instrument of political pressure. The U.S. delegation was headed by John Block, Secretary of Agriculture.

June 29

Honduran military issues a statement saying that a land mine laid by Nicaraguans is responsible for killing two American journalists, not gunfire as had been believed.

State Department confirms that two Americans are among five foreign relief workers taken hostage in Boma, in southern Sudan, by an organization calling itself the Liberation Front of Southern Sudan. The two Americans are John Haspels, an employee of the African Committee for the Rehabilitation of Southern Sudan, and Ron Pontier, employed by the African Inland Mission. Other hostages are German, Dutch, and Canadian.

U.S. Navy F-14 jets from the aircraft carrier USS *Eisenhower* intercept two Libyan MiG-23 aircraft during a routine operational exercise off the Gulf of Sidra. According to a Department spokesman, the interception occurs "in international airspace north of the Libyan coastline" and no shots or missiles were fired by either side. The Defense Department states that "a notice or intent to operate aircraft within the Tripoli flight information region" was issued prior to the exercise. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
195	6/6	Shultz: remarks to Foreign Policy Association, New York, May 26.
195A	6/6	Shultz: question-and-answer session following Foreign Policy Association remarks, May 26.
196	6/1	Shultz: interview on NBC-TV's "Today Show," Williamsburg, May 31.
197	6/2	Availability of additional Department of State records 1950-54, for research.
*198	6/2	State Department, Marshall Foundation honor George C. Marshall as Secretary of State.
199	6/2	Shultz: changes in ambassadorships.
*200	6/3	Program for the state visit to Washington, D.C., of Ivory Coast President Felix Houphouet-Boigny, June 6-12.
*201	6/7	Shultz: news briefing aboard Air Force One en route to Williamsburg, May 27.
*202	6/6	Allen Clayton Davis sworn in as Ambassador to Uganda (biographic data).
203	6/9	Joint statement by the participants at the Williamsburg economic summit read on their behalf by Secretary Shultz.

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- | | | | | | |
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| 204 | 6/9 | Shultz: news briefing, Williamsburg, May 29. | *223 | 6/24 | Richard R. Burt sworn in as Assistant Secretary for European Affairs (biographic data). |
| 205 | 6/10 | Shultz: news briefing, Williamsburg, May 30. | *224 | 6/24 | H. Allen Holmes sworn in as Ambassador to Portugal (biographic data). |
| *206 | 6/9 | Program for the official working visit to Washington, D.C., of Australian Prime Minister Robert J. L. Hawke, June 11-15. | *225 | 6/24 | James M. Rentschler sworn in as Ambassador to Malta (biographic data). |
| *207 | 6/10 | Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), working group on fire protection, June 28. | *226 | 6/24 | John Davis Lodge sworn in as Ambassador to Switzerland (biographic data). |
| *208 | 6/10 | Advisory Committee on International Investment, Technology, and Development, working group on multilateral investment standards for MNE's and UN activities, July 6. | *227 | 6/24 | Stephen W. Bosworth appointed Chairman of the Secretary's Policy Planning Council, Jan. 3. |
| 209 | 6/13 | Shultz: commencement address, Stanford University, June 12. | *228 | 6/28 | Appointment of U.S. delegation chairman to the High Frequency World Administrative Radio Conference for planning use of HF Broadcasting Bands, Geneva, Jan.-Feb. 1984. |
| *210 | 6/10 | U.S., Sri Lanka sign new bilateral textile agreement, May 10. | 229 | 6/28 | Shultz: statement, Bangkok, June 26. |
| *211 | 6/14 | Myles Robert Rene Frechette sworn in as Ambassador to Cameroon (biographic data). | 230 | 6/27 | Shultz: remarks at Malacanang luncheon, Manila, June 25. |
| 212 | 6/14 | Shultz: news conference, Paris, June 8. | *231 | 6/28 | U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCITT), Integrated Services Digital Network, July 19-21. |
| 213 | 6/15 | Shultz: statement before Senate Foreign Relations Committee. | *232 | 6/28 | CCITT, study group A, July 21. |
| *214 | 6/16 | Program for the official visit to Washington, D.C., of Salvadoran President Alvaro Magana Borja, June 16-18. | *233 | 6/28 | SCC, SOLAS, working group on standards of training and watchkeeping, July 27. |
| *215 | 6/17 | Program for the official working visit to Washington, D.C., of Spanish President Felipe Gonzalez, June 20-22. | *234 | 6/28 | Presidential Commission on the Conduct of U.S.-Japan Relations, July 14. |
| *216 | 6/17 | Edward J. Derwinski sworn in as Counselor of the Department (biographic data). | *235 | 6/28 | W. Allen Wallis sworn in as Under Secretary for Economic Affairs (biographic data). |
| *217 | 6/17 | Nicholas A. Veliotis sworn in as Assistant Secretary for Near Eastern and South Asian Affairs (biographic data). | 236 | 6/28 | U.S. submits pleadings to the International Court of Justice in the case concerning the maritime boundary with Canada in the Gulf of Maine area. |
| 218 | 6/24 | Documents on German Foreign Policy 1918-1945, Series C (1933-1937) The Third Reich: First Phase, Vol. VI, Nov. 1, 1936-Nov. 14, 1937. | 237 | 6/28 | Federated States of Micronesia approves free association with U.S. |
| *219 | 6/23 | France assures U.S. of non-discriminatory treatment of U.S. airlines. | 238 | 6/28 | U.S. and Republic of the Marshall Islands call plebiscite on compact of free association. |
| *220 | 6/23 | Executive Seminar celebrates 25th anniversary. | 239 | | [Not issued.] |
| 221 | 6/22 | Shultz: news conference. | 240 | 6/28 | Joint news conference by Foreign Ministers of ASEAN post-ministerial meeting, Bangkok. |
| *222 | 6/23 | U.S., Romania sign new textile agreement Jan. 28 and March 31, 1983. | | | |

*Not printed in the BULLETIN. ■

Department of State

Free, single copies of the following Department of State publications are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

Secretary Shultz

U.S.-Soviet Relations in the Context of U.S. Foreign Policy, Senate Foreign Relations Committee, June 15, 1983 (Current Policy #492).

On Learning From Experience: The Responsibility of the Democracies, Stanford University, Stanford, California, June 12, 1983 (Current Policy #491).

Africa

Southern Africa: America's Responsibility for Peace and Change, Under Secretary Eagleburger, National Conference of Editorial Writers, San Francisco, June 23, 1983 (Current Policy #497).

Background Notes on Botswana (May 1983).

Arms Control

Security and Arms Control: The Search for a More Stable Peace, June 1983 (Pamphlet).

Challenges of the Nuclear Nonproliferation Regime, Richard T. Kennedy, Ambassador at Large and special adviser to the Secretary on nonproliferation policy and nuclear energy affairs, Atomic Industrial Forum and FORATOM, Geneva, Switzerland, June 1, 1983 (Current Policy #493).

East Asia

Background Notes on Japan (May 1983).
Korea: Status Report (GIST, June 1983).

Europe

A Critical Juncture for the Atlantic Alliance, Assistant Secretary Burt, Time, Inc., Conference on the Atlantic Alliance, Hamburg, F.R.G., April 25, 1983 (Current Policy #486).

The Atlantic Alliance: Facts and Lessons of History, Deputy Secretary Dam, Conference sponsored by Atlantik-Bruecke and the American Council of Germany, West Berlin, March 25, 1983 (Current Policy #489).

NATO, Western Security, and Arms Reduction, Deputy Secretary Dam, Executive Club, Oslo, Norway, Mar 21, 1983 (Current Policy #488).

Background Notes on Belgium (June 1983).
Background Notes on Spain (May 1983).

PUBLICATIONS

Middle East

Middle East Policy Update, Assistant Secretary Veliotis, Subcommittee on Europe and the Middle East, House Foreign Affairs Committee, June 2, 1983 (Current Policy #490).

Background Notes on Bhutan (May 1983)
Background Notes on Kuwait (June 1983).

Western Hemisphere

Background Paper: Central America, joint release by Department of State and Department of Defense, May 27, 1983 (Pamphlet).

Central America: U.S. Policy (GIST, June 1983).

World Peace Council: 1983 Prague Assembly (GIST, June 1983). ■

Documents on German Foreign Policy Released

The Department of State on June 24, 1983, released Volume VI of Series C, *Documents on German Foreign Policy, 1918-1945*. This volume represents the 19th and final to be prepared and published in the cooperative project of the United States, Great Britain, and France for the publication of documents from the archives of the pre-World War II German Foreign Office. These archives, restored to the German Federal Republic in 1958, had been captured at the end of World War II and held by the United States and British Governments for more than 10 years during which documents were selected, microfilmed, and annotated for publication. The project was originally planned to cover the period 1918-45 but was eventually limited to the years 1933-41. Volume VI, Series C, is the last volume to be produced by the tripartite publication project, thus completing coverage of the period from Adolf Hitler's accession to power through the German declaration of war against the United States after the attack on Pearl Harbor. The materials in this and the companion volumes are of inestimable value to students of German history and specialists in international diplomacy.

The main themes of the 580 documents presented in this volume, which opens on November 1, 1936, and closes November 14, 1937, are the failed attempts by West European countries to confine the increasingly expansionist tendencies of Nazi Germany and the

gradual coming together of the partners of the future Rome-Berlin-Tokyo Axis. Of particular menace to the West was the German-Japanese Anti-Comintern Agreement signed November 25, 1936, and the growing German-Italian cooperation on European issues that reached a milestone with Italian dictator Mussolini's visit to Germany at the end of September 1937.

Axis cooperation and Germany's political and economic strength in Southeast Europe throughout 1937 provide the background for Nazi Germany's impending dramatic moves against Austria and Czechoslovakia in 1938. German-Soviet relations, increasingly strained by Germany's anti-Bolshevik crusade and by Soviet accusations against Germany in the Moscow purge trials, appeared to reach a nadir in November 1937 with Soviet insistence on the closing of all but two German consulates in the Soviet Union. Nevertheless, out of public sight, there were diplomatic hints of Soviet interest in achieving a political rapprochement with Germany foreshadowing the Nazi-Soviet pact of 1939.

In accordance with the practice followed in all volumes of this Allied project, the selection of documents in this volume has been made jointly by the British, French, and U.S. editors who share responsibility for the selections made. This volume was printed by Her Majesty's Stationery Office and is being released in identical volumes by the U.S. and U.K. Governments.

Copies of this volume—Department of State Publication 9338—may be purchased for \$18.00 (domestic postpaid) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Checks or money orders should be made out to the Superintendent of Documents.

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The BULLETIN'S contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

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GEORGE P. SHULTZ

Secretary of State

JOHN HUGHES

Assistant Secretary for Public Affairs

PAUL E. AUERSWALD

Director,
Office of Public Communication

NORMAN HOWARD

Chief, Editorial Division

PHYLLIS A. YOUNG

Editor

JUANITA ADAMS

Assistant Editor

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President Reagan talks to Lebanese President Gemayel about a cease-fire agreement while UN Secretary General Perez de Cuellar listens.



FEATURE
UN GENERAL ASSEMBLY

Renewing the U.S. Commitment to Peace

by President Reagan

*Address before the 38th session
of the UN General Assembly
in New York on September 26, 1983.¹*

Thank you for granting me the honor of speaking today, on this first day of general debate in the 38th session of the General Assembly. Once again I come before this body preoccupied with peace. Last year I stood in this chamber to address the Special Session on Disarmament. I have come today to renew my nation's commitment to peace. And I have come to discuss how we can keep faith with the dreams that created this organization.

The United Nations was founded in the aftermath of World War II to protect future generations from the scourge of war, to promote political self-determination and global prosperity, and to strengthen the bonds of civility among nations. The founders sought to replace a world at war with a world of civilized order. They hoped that a world of relentless conflict would give way to a new era, one where freedom from violence prevailed.

Whatever challenges the world was bound to face, the founders intended this body to stand for certain values, even if they could not be enforced, and to condemn violence, even if it could not be stopped. This body was to speak with the voice of moral authority. That was to be its greatest power.

But the awful truth is that the use of violence for political gain has become

more, not less, widespread in the last decade. Events of recent weeks have presented new, unwelcome evidence of brutal disregard for life and truth. They have offered unwanted testimony on how divided and dangerous our world is, how quick the recourse to violence.

What has happened to the dreams of the United Nations' founders? What has happened to the spirit which created the United Nations? The answer is clear: governments got in the way of the dreams of the people. Dreams became issues of East versus West. Hopes became political rhetoric. Progress became a search for power and domination. Somewhere the truth was lost that people don't make wars, governments do.

And today in Asia, Africa, Latin America, the Middle East, and the North Pacific, the weapons of war shatter the security of the peoples who live there, endanger the peace of neighbors, and create ever more arenas of confrontation between the great powers. During the past year alone, violent conflicts have occurred in the hills around Beirut, the deserts of Chad and the Western Sahara, in the mountains of El Salvador, the streets of Suriname, the cities and countryside of Afghanistan, the borders



(White House photo by Bill Fitz-Patrick)

of Kampuchea, and the battlefields of Iran and Iraq.

We cannot count on the instinct for survival to protect us against war. Despite all the wasted lives and hopes that war produces, it has remained a regular, if horribly costly, means by which nations have sought to settle their disputes or advance their goals.

The Search for Meaningful Arms Control Agreements

And the progress in weapons technology has far outstripped the progress toward peace. In modern times, a new, more terrifying element has entered into the calculations—nuclear weapons. A

ensure that world security is not undermined by the further spread of nuclear weapons. Nuclear nonproliferation must not be the forgotten element of the world's arms control agenda.

At the time of my last visit here, I expressed hope that a whole class of weapons systems—the longer range INF (the intermediate-range nuclear forces) missiles—could be banned from the face of the earth. I believe that to relieve the deep concern of peoples in both Europe and Asia, the time was ripe, for the first time in history, to resolve a security threat exclusively through arms control. I still believe the elimination of these weapons—the zero option—is the best, fairest, most prac-

control agreements. Last June, I proposed a new approach toward the START negotiations. We did not alter our objective of substantial reductions, but we recognized that there are a variety of ways to achieve this end. During the last round of Geneva talks, we presented a draft treaty which responded to a number of concerns raised by the Soviet Union. We will continue to build upon this initiative.

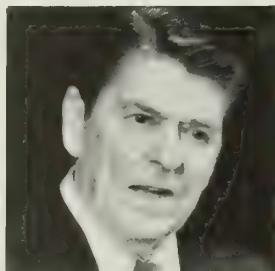
Similarly, in our negotiations on intermediate-range nuclear forces, when the Soviet leaders adamantly refused to consider the total elimination of these weapons, the United States made a new offer. We proposed, as an interim solution, some equal number on both sides between zero and 572. We recommended the lowest possible level.

Once again, the Soviets refused an equitable solution and proposed instead what might be called a "half-zero option"—zero for us and many hundreds of warheads for them. And that's where things stand today, but I still have not given up hope that the Soviet Union will enter into serious negotiations.

We are determined to spare no effort to achieve a sound, equitable, and verifiable agreement. And for this reason, I have given new instructions to Ambassador Nitze [head of the U.S. delegation to the INF negotiations] in Geneva, telling him to put forward a package of steps designed to advance the negotiations as rapidly as possible. These initiatives build on the interim framework the United States advanced last March and address concerns that the Soviets have raised at the bargaining table in the past. Specifically:

First, the United States proposes a new initiative on global limits. If the Soviet Union agrees to reductions and limits on a global basis, the United States, for its part, will not offset the entire Soviet global missile deployment through U.S. deployments in Europe. We would, of course, retain the right to deploy missiles elsewhere.

Second, the United States is prepared to be more flexible on the content of the current talks. The United States will consider mutually acceptable ways to address the Soviet desire that an agreement should limit aircraft as well as missiles.



(White House photo by Pete Souza)

... the awful truth is that the use of violence for political gain has become more, not less, widespread in the last decade.

nuclear war cannot be won and must never be fought. I believe that if governments are determined to deter and prevent war, there will not be war. Nothing is more in keeping with the spirit of the UN Charter than arms control.

When I spoke before the Second Special Session on Disarmament, I affirmed the U.S. Government's commitment, and my personal commitment, to reduce nuclear arms and to negotiate in good faith toward that end.

Today, I reaffirm those commitments. The United States has already reduced the number of its nuclear weapons worldwide and, while replacement of older weapons is unavoidable, we wish to negotiate arms reductions and to achieve significant, equitable, verifiable arms control agreements. And let me add, we must

tical solution to this problem. Unfortunately, the Soviet Union declined to accept the total elimination of this class of weapons.

When I was here last, I hoped that the critical strategic arms reduction talks (START) would focus, and urgently so, on those systems that carry the greatest risk of nuclear war—the fast-flying, accurate intercontinental ballistic missiles which pose a first-strike potential. I also hoped the negotiations could reduce by one-half the number of strategic missiles on each side and reduce their warheads by one-third. Again, I was disappointed when the Soviets declined to consider such deep cuts and refused, as well, to concentrate on these most dangerous destabilizing weapons.

Despite the rebuffs, the United States has not abandoned and will not abandon the search for meaningful arms



FEATURE UN GENERAL ASSEMBLY

Third, the United States will address the mix of missiles that would result from reductions. In the context of reductions to equal levels, we are prepared to reduce the number of Pershing II ballistic missiles as well as ground-launched cruise missiles.

I have decided to put forward these important initiatives after full and extensive consultations with our allies, including personal correspondence I've had with the leaders of the NATO governments and Japan and frequent meetings of the NATO Special Consultative Group. I have also stayed in close touch with other concerned friends and allies. The door to an agreement is open. It is time for the Soviet Union to walk through it.

I want to make an unequivocal pledge to those gathered today in this world arena. The United States seeks and will accept any equitable, verifiable agreement that stabilizes forces at lower levels than currently exist. We are ready to be flexible in our approach, indeed, willing to compromise. We cannot, however, especially in light of recent events, compromise on the necessity of effective verification.

Reactions to the Korean airliner tragedy are a timely reminder of just how different the Soviets' concept of truth and international cooperation is from that of the rest of the world. Evidence abounds that we cannot simply assume that agreements negotiated with the Soviet Union will be fulfilled. We negotiated the Helsinki Final Act, but the promised freedoms have not been provided and those in the Soviet Union who sought to monitor their fulfillment languish in prison. We negotiated a Biological Weapons Convention, but deadly yellow rain and other toxic agents fall on Hmong villages and Afghan encampments. We have negotiated arms agreements, but the high level of Soviet encoding hides the information needed for their verification. A newly discovered radar facility and a new ICBM [intercontinental ballistic missile] raise serious concerns about Soviet compliance with agreements already negotiated.

Peace cannot be served by pseudo arms control. We need reliable, reciprocal reductions. I call upon the

Soviet Union today to reduce the tensions it has heaped on the world in the past few weeks and to show a firm commitment to peace by coming to the bargaining table with a new understanding of its obligations. I urge it to match our flexibility. If the Soviets sit down at the bargaining table seeking genuine arms reductions, there will be arms reductions. The governments of the West and their people will not be diverted by misinformation and threats. The time has come for the Soviet Union to show proof that it wants arms control in reality, not just in rhetoric.

Meaningful arms control agreements between the United States and the

Soviet Union would make our world less dangerous; so would a number of confidence-building steps we've already proposed to the Soviet Union.

Call for a True Nonalignment of the United Nations

Arms control requires a spirit beyond narrow national interests. This spirit is a basic pillar on which the United Nations was founded. We seek a return to this spirit. A fundamental step would be a true nonalignment of the United Nations. This would signal a return to the true values of the charter, including the principle of universality. The members



(White House photo by Bill Fitz-Patrick)

The founders of the United Nations expected that member nations would behave and vote as individuals. . . . The emergence of blocs and the polarization of the United Nations undermine all that this organization initially valued.

Addressing the UN General Assembly.

of the United Nations must be aligned on the side of justice rather than injustice, peace rather than aggression, human dignity rather than subjugation. Any other alignment is beneath the purpose of this great body and destructive of the harmony it seeks. What harms the charter harms peace.

The founders of the United Nations expected that member nations would behave and vote as individuals, after they had weighed the merits of an issue—rather like a great, global town meeting. The emergence of blocs and the polarization of the United Nations undermine all that this organization initially valued.

We must remember that the nonaligned movement was founded to counter the development of blocs and to promote detente between them. Its founders spoke of the right of smaller countries not to become involved in others' disagreements. Since then, membership in the nonaligned movement has grown dramatically, but not all the new members have shared the founders' commitment of genuine nonalignment. Indeed, client governments of the Soviet Union, which have long since lost their independence, have flocked into the nonaligned movement and once inside have worked against its true purpose. Pseudo nonalignment is no better than pseudo arms control.

The United States rejects as false and misleading the view of the world as divided between the empires of the East and West. We reject it on factual grounds. The United States does not head any bloc of subservient nations, nor do we desire to. What is called the West is a free alliance of governments, most of which are democratic and all of which greatly value their independence. What is called the East is an empire directed from the center which is Moscow.

The United States, today, as in the past, is a champion of freedom and self-determination for all people. We welcome diversity; we support the right of all nations to define and pursue their national goals. We respect their decisions and their sovereignty, asking only that they respect the decisions and sovereignty of others. Just look at the world over the last 30 years, and then decide for yourself whether the United

States or the Soviet Union has pursued an expansionist policy.

Today, the United States contributes to peace by supporting collective efforts by the international community. We give our unwavering support to the peacekeeping efforts of this body, as well as other multilateral peacekeeping efforts around the world. The United Nations has a proud history of promoting conciliation and helping keep the peace. Today, UN peacekeeping forces or observers are present in Cyprus and Kashmir, on the Golan Heights, and in Lebanon.

In addition to our encouragement of international diplomacy, the United States recognizes its responsibilities to

use its own influence for peace. From the days when Theodore Roosevelt mediated the Russo-Japanese War in 1905, we have a long and honorable tradition of mediating or dampening conflicts and promoting peaceful solutions. In Lebanon, we, along with France, Italy, and the United Kingdom, have worked for a cease-fire, for the withdrawal of all external forces, and for restoration of Lebanon's sovereignty and territorial integrity. In Chad, we have joined others in supporting the recognized government in the face of external aggression. In Central America, as in southern Africa, we are seeking to discourage reliance upon force and to construct a framework for peaceful negotiations. We support a policy to

United Nations Day, 1983

A PROCLAMATION, SEPT. 27, 1983¹

The United Nations remains today—38 years after its creation—an institution uniquely endowed to promote international political, economic, social, and technical cooperation. Conceived during a brutal war and nurtured in a troubled peace, the United Nations has seen many of its shining promises realized, but many others have been frustrated. More often than the world community can afford, rivalries and divisions among states prompt abuse or misuse of the powers and machinery of the United Nations. Despite these imperfections, the system and its machinery continue to offer opportunities for mediating differences which threaten to erupt in hostilities; for arranging and overseeing agreements to end tensions or conflicts; for promoting the technical and scientific cooperation essential to meet problems of growth and development; and for coping with international emergencies of all kinds.

The people and the Government of the United States of America take pride in the support—moral, intellectual, political, and financial—which we have rendered to the United Nations, and in the leadership which

we have provided to help bring about its foremost achievements. We also take pride in the knowledge that the principles of the United Nations charter are the same ones which underlie our liberty, our progress, and our development as a democratic society.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate Monday, October 24, 1983, as United Nations Day, and urge all Americans to better acquaint themselves with the activities and accomplishments of the United Nations.

I have appointed William M. Ellinghaus to serve as 1983 United States Chairman for United Nations Day, and I welcome the role of the United Nations Association of the United States of America in working with him to celebrate this special day.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-seventh day of September, in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and eighth.

RONALD REAGAN

¹Text from White House press release. ■



FEATURE UN GENERAL ASSEMBLY

disengage the major powers from Third World conflict.

The UN Charter gives an important role to regional organizations in the search for peace. The U.S. efforts in the cause of peace are only one expression of a spirit that also animates others in the world community. The Organization of American States was a pioneer in regional security efforts. In Central America, the members of the Contadora group are striving to lay a foundation for peaceful resolution of that region's problems. In East Asia, the Asian countries have built a framework for peaceful political and economic cooperation that has greatly strengthened the prospects for lasting peace in their region. In Africa, organizations such as the Economic Community of West African States are being forged to provide practical structures in the struggle to realize Africa's potential.

From the beginning, our hope for the United Nations has been that it would reflect the international community at its best. The United Nations at its best can help us transcend fear and violence and can act as an enormous force for peace and prosperity. Working together, we can combat international lawlessness and promote human dignity.

The Need to Uphold the UN's Original Ideals

If the governments represented in this chamber want peace as genuinely as their peoples do, we shall find it. We can do so by reasserting the moral authority of the United Nations. In recent weeks, the moral outrage of the world seems to have reawakened.

Out of the billions of people who inhabit this planet, why, some might ask, should the death of several hundred shake the world so profoundly? Why should the death of a mother flying toward a reunion with her family or the death of a scholar heading toward new pursuits of knowledge matter so deeply? Why are nations who lost no citizens in the tragedy so angry?

The reason rests on our assumptions about civilized life and the search for peace. The confidence that allows a mother or a scholar to travel to Asia or Africa or Europe or anywhere else on

this planet may be only a small victory in humanity's struggle for peace. Yet what is peace if not the sum of such small victories?

Each stride for peace and every small victory are important for the journey toward a larger and lasting peace. We have made progress. We have avoided another world war. We have seen an end to the traditional colonial

U.S. Delegation to the 38th UN General Assembly

Representatives

Jeane J. Kirkpatrick
Jose S. Sorzano
John L. Loeb, Jr.
Joel Pritchard, U.S. Representative from
the State of Washington
Stephen J. Solarz, U.S. Representative from
the State of New York

Alternate Representatives

Charles M. Lichenstein
William C. Sherman
Constantine N. Dombalis
Alan L. Keyes
Lyn P. Meyerhoff

USUN press release 74 of Oct. 12, 1983. ■

era and the birth of 100 newly sovereign nations. Even though development remains a formidable challenge, we have witnessed remarkable economic growth among the industrialized and the developing nations. The United Nations and its affiliates have made important contributions to the quality of life on this planet, such as directly saving countless lives through its refugee and emergency relief programs. These broad achievements, however, have been overshadowed by the problems that weigh so heavily upon us. The problems are old, but it is not too late to commit ourselves to a new beginning, a beginning fresh with the ideals of the UN Charter.

Today, at the beginning of this 38th session, I solemnly pledge my nation to upholding the original ideals of the United Nations. Our goals are those that

guide this very body. Our ends are the same as those of the United Nations' founders, who sought to replace a world at war with one where the rule of law would prevail, where human rights were honored, where development would blossom, where conflict would give way to freedom from violence.

In 1956, President Dwight Eisenhower made an observation on weaponry and deterrence in a letter to a publisher. He wrote:

When we get to the point, as we one day will, that both sides know that in any outbreak of general hostilities, regardless of the element of surprise, destruction will be both reciprocal and complete, possibly we will have sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die.

He went on to say:

... we have already come to the point where safety cannot be assumed by arms alone ... their usefulness becomes concentrated more and more in their characteristics as deterrents than in instruments with which to obtain victory. ...

Distinguished ladies and gentlemen, as we persevere in the search for a more secure world, we must do everything we can to let diplomacy triumph. Diplomacy, the most honorable of professions, can bring the most blessed of gifts, the gift of peace. If we succeed, the world will find an excitement and accomplishment in peace beyond that which could ever be imagined through violence and war.

I want to leave you today with a message I have often spoken about to the citizens of my own country, especially in times when I have felt they were discouraged and unsure. I say it to you with as much hope and heart as I have said it to my own people. You have the right to dream great dreams. You have the right to seek a better world for your people. And all of us have the responsibility to work for that better world. And as caring, peaceful peoples, think what a powerful force for good we could be. Distinguished delegates, let us regain the dream the United Nations once dreamed.

¹Text from Weekly Compilation of Presidential Documents of Oct. 3, 1983. ■

Economic Progress Through Individual Freedom

*President Reagan's address before the Board of Governors of the International Bank for Reconstruction and Development (World Bank) and the International Monetary Fund on September 27, 1983.*¹

On behalf of my fellow Americans, I'm delighted to welcome you to the United States and to our nation's capital. And I am honored to have this opportunity to speak again to your distinguished members.

I say honored because I believe that your institutions, the World Bank and affiliates and the International Monetary Fund, serve noble purposes. There can be no higher mission than to improve the human condition and to offer opportunities for fulfillment in our individual lives and the lives of our national and our world communities.

You are the leaders of the world community in bringing a better life to the diverse and often tragically poor people of our planet. You have worked tirelessly to preserve the framework for international economic cooperation and to generate confidence and competition in the world economy.

The unending quest for economic, social, and human improvement is the basic drive that inspires and unites all of us. In 1945, when your great institutions were established, the civilized world had been brought to its knees by a wave of totalitarian violence that inflicted suffering, sacrifice, and the suppression of human rights on millions of innocent people.

Security, freedom, and prosperity were very much on the minds of the citizens of the world in 1945. They should be on our minds today. The institutions you represent could not have been born, could not have flourished—and, may I add, will not survive—in a world dominated by a system of cruelty that disregards individual rights and the value of human life in its ruthless drive for power. No state can be regarded as preeminent over the rights of individuals. Individual rights are supreme.

In this civilization we've labored so faithfully to resurrect, preserve, and enhance, let us be ever mindful: it is not just development and prosperity but

ultimately our peace and our freedom that are always at stake. Too often the demands of prosperity and security are viewed as competitors when, in fact, they're complementary, natural and necessary allies. We cannot prosper unless we're secure, and we cannot be secure unless we're free.

The goals of the great international, political, and economic institutions—the United Nations, where I spoke yesterday, and the World Bank, its affiliates, and the IMF you represent here today—were to be reached by trusting in a shared and enduring truth: the keys to personal fulfillment, national development, human progress, and world peace are freedom and responsibility for individuals and cooperation among nations. When I addressed the delegates of the United Nations yesterday, I reminded them: you have the right to dream great dreams, to seek a better world for your people. And all of us have the responsibility to work for that better world. As caring, peaceful peoples, think what a powerful force for good we could be.

Today, I come before your distinguished assembly in that same spirit—a messenger for prosperity and security through the principles of freedom, responsibility, and cooperation. When our nations trusted in these great principles in the postwar years, the civilized world enjoyed unparalleled economic development and improvement in the human condition. We witnessed a virtual explosion of world output and trade and the arrival of many free, self-determined, independent nation-states as new members of the international system.

And, as I said when I last spoke to you, the societies that achieved the most spectacular, broad-based economic progress in the shortest period of time have not been the biggest in size, nor the richest in resources, and certainly not the most rigidly controlled. What has united them all was their belief in the magic of the marketplace. Millions of individuals making their own decisions in the marketplace will always allocate resources better than any centralized government planning process.

Trust the people, this is the crucial lesson of history. Because only when the

human spirit is allowed to worship, invent, create, and produce; only when individuals are given a personal stake in deciding their destiny and benefiting from their own risks; only then do societies become dynamic, prosperous, progressive, and free.

National Efforts for Economic Recovery

In the turbulent decade of the 1970s, too many of us, the United States included, forgot the principles that produced the basis for our mutual economic progress. We permitted our governments to overspend, overtax, and overregulate us toward soaring inflation and record interest rates. Now we see more clearly again. We're working and cooperating to bring our individual economies and the world economy back to more solid foundations of low inflation, personal incentives for saving and investment, higher productivity, and greater opportunities for our people.

Our first task was to get our own financial and economic houses in order. Our countries are interdependent, but without a foundation of sound domestic policies, the international economic system cannot expand and improve. Merely providing additional official development assistance will not produce progress. This is true for all countries, developed and developing, without exception. As the 1983 development report of the World Bank notes:

International actions will greatly improve the external environment confronting developing countries, but cannot supplant the efforts that the developing countries must make themselves.

I believe the United States is making real progress. Since we took office, we've reduced the rate of growth in our Federal Government's spending by nearly 40%. We have cut inflation dramatically, from 12.4% to 2.6% for the last 12 months. The prime interest rate has been cut nearly in half, from 21.5% to 11%. Figures released last week reveal our gross national product grew at an annual rate of almost 10% in the second quarter and about 7% is estimated for the third.

In the United States, we still face large projected deficits which concern us because deficit Federal spending and borrowing drain capital that would otherwise be invested for stronger economic growth. But as [Treasury] Secretary Regan correctly pointed out in

the Interim Committee on Sunday, the deficit is coming down as a result of economic growth. Revenues are higher than anticipated, and we expect continued improvement. We'll continue to work for greater restraint in Federal spending, but we will not risk sabotaging our economic expansion in a short-sighted attempt to reduce deficits by raising taxes. What tax increases would actually reduce is economic growth—by discouraging savings, investment, and consumption.

One other point about the U.S. deficit. Let me make clear that it is caused in part by our determination to provide the military strength and political security to ensure peace in the world. Our commitment to military security is matched by our resolve to negotiate a verifiable nuclear arms reduction treaty. Only then can we safely reduce military expenditures and their drain on our resources. As I mentioned at the outset, there can be no lasting prosperity without security and freedom.

Promoting World Economic Recovery and Development

Turning more directly to economic development, all signs point to a world economic recovery gaining momentum. As early as last February, the Conference Board predicted that economic growth rates in the United States and six major industrial countries spell economic recovery in any language. Since then, industrial production in the OECD [Organization for Economic Cooperation and Development] countries has been moving up. Your own IMF economists are predicting growth in the world economy of at least 3% next year. This is the brightest outlook in several years.

As the U.S. economy picks up steam, our imports rise with it. When you consider that half of all non-OPEC developing-country manufactured goods exported to the industrialized countries come to the United States, it's clear what a strong stimulus our imports provide for economic expansion abroad. And as other economies prosper, our exports in turn increase. We all gain.

Many nations are moving steadily forward toward self-sustaining growth. And, like us, they're doing it by relying again on the marketplace. This period of adjustment has not been easy for us. In fact, it's been very painful. But it is the one way that does work, and it's beginning to pay dividends.

Economic recovery is spreading its wings and taking flight. We all know those wings have not spread far enough. And, I would add, recovery alone is not good enough. Our challenge is far greater—lasting, worldwide economic expansion. Together, we must make the 1980s an historic era of transition toward sustained, noninflationary world growth. I have every confidence that we can, and, with our combined leadership and cooperation, we will.

IMF: International Financial Linchpin

The IMF is the linchpin of the international financial system. Among official institutions, it serves as a counselor, coaxing the world economy toward renewed growth and stability. At various times in its history, the IMF has provided important temporary balance-of-payments assistance to its member nations, including my own. At times, it must play the "Dutch uncle," talking frankly, telling those of us in government things we need to hear but would rather not. We know how significant the IMF's role has been in assisting troubled debtor countries, many of which are making courageous strides to regain financial health. We warmly applaud the efforts of Mr. de Larosiere [IMF Managing Director] and his staff.

My Administration is committed to do what is legitimately needed to help

responsibility and to meet the pledge of our government.

The IMF quota legislation has been pending for several months, and I do not appreciate the partisan wrangling and political posturing that have been associated with this issue during recent weeks. I urge members of both political parties to lay aside their differences, to abandon harsh rhetoric and unreasonable demands, and to get on with the task in a spirit of true bipartisanship. The stakes are great. This legislation is not only crucial to the recovery of America's trading partners abroad and to the stability of the entire international financial system, it is also necessary to a sustained recovery in the United States.

The sum we're requesting will not increase our budget deficit, and it will be returned with interest as loans are repaid to the IMF. What's more, it will keep the wheels of world commerce turning and create jobs. Exports account for one out of eight manufacturing jobs in our country, the United States. Forty percent of our agricultural products are exported. I'm afraid that even today too few in the Congress realize the United States is interdependent with both the developed and the developing world.

Examine the record: the United States has been a dependable partner, reaching out to help developing countries which are laboring under excessive

When you consider that half of all non-OPEC developing-country manufactured goods exported to the industrialized countries come to the United States, it's clear what a strong stimulus our imports provide for economic expansion abroad. And as other economies prosper, our exports in turn increase.

ensure that the IMF continues as the cornerstone of the international financial system. Let me make something very plain: I have an unbreakable commitment to increased funding for the IMF. But the U.S. Congress so far has failed to act to pass the enabling legislation. I urge the Congress to be mindful of its

debt burdens. These major debtor countries have already undertaken difficult measures in a concerted effort to get their economic houses in order. Most of them are working closely with the IMF to overcome economic hardships. They continue to demonstrate a commendable willingness to make necessary adjustments. And that's why I can state

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that our participation in the IMF quota increase is not a government bailout of these debtor countries or of the banks which are sharing the burden. On the contrary, IMF plans to assist financially troubled countries call for the banks to put up more new money than the IMF itself.

This is by nature a cooperative enterprise. If the Congress does not approve our participation, the inevitable consequence would be a withdrawal by other industrialized countries from doing their share. At the end of this road

be considered a complement to, not a substitute for, sound policies at home. If policies are sound, financing can be beneficial. If policies are irresponsible, all the aid in the world will be no more than money down the drain.

The Need To Resist Protectionist Pressures

As we work together for recovery, we must be on guard against storm clouds of protectionist pressures building on the horizon. At the recent economic

... our participation in the IMF quota increase is not a government bailout of these debtor countries or of the banks which are sharing the burden. On the contrary, IMF plans to assist financially troubled countries call for the banks to put up more new money than the IMF itself.

could be a major disruption of the entire world trading and financial systems—an economic nightmare that could plague generations to come. No one can afford to make light of the responsibility we all share.

We strongly support the World Bank. In fact, the United States remains its largest single contributor. We recognize its key role in stimulating world development and the vital assistance it provides to developing nations. Here again, I have proposed legislation to meet our commitment for funding the World Bank and especially the International Development Association. It is important that these funds be available to help the people in the poorest countries raise their standards of living. Tomorrow, Secretary Regan will be discussing both the Fund and the Bank in more detail. Because our investment in the World Bank's operations is so large, we feel a special responsibility to provide constructive suggestions to make it even more effective.

Let me simply underscore again a fundamental point. And I say this as a spokesman for a compassionate, caring people. The heart of America is good and its heart is true. We've provided more concessional assistance to developing nations than any other country—more than \$130 billion in the last three decades. Whether the question at hand be bank project financing or fund balance-of-payments assistance, it must

summit in Williamsburg, my fellow leaders and I renewed our commitment to an open, expanding world trading system. The Williamsburg declaration reads: "We commit ourselves to halt protectionism and as recovery proceeds to reverse it by dismantling trade barriers."

Whether such words will prove to be empty promises, or symbols of a powerful commitment, depends on the real day-to-day actions which each of our governments take. Everyone is against protectionism in the abstract. That's easy. It is another matter to make the hard, courageous choices when it is your industry or your business that appears to be hurt by foreign competition. I know; we in the United States deal with the problem of protectionism every day of the year.

We are far from perfect, but the United States offers the most free and open economy in the world. We import far more goods than any nation on

earth. There is more foreign investment here than anywhere else. And access to our commercial and capital markets is relatively free.

Protectionism is not a problem solver; it is problem creator. Protectionism invites retaliation. It means you will buy less from your trading partners, they will buy less from you, the world economic pie will shrink, and the danger of political turmoil will increase.

You know, I've made this analogy before. But we and our trading partners are in the same boat. If one partner shoots a hole in the bottom of the boat, does it make sense for the other partner to shoot another hole in the boat? Some people say yes and call it getting tough. I call it getting wet—all over.

We must plug the holes in the boat of open markets and free trade and set sail again in the direction of prosperity. No one should mistake our determination to use our full power and influence to prevent anyone from destroying the boat and sinking us all.

I firmly believe that we can and must go forward together, hand in hand, not looking for easy villains to explain our problems but resolved to pursue the proven path on which these institutions embarked almost four decades ago—a path of economic progress and political independence for all countries and for all people.

In closing, let me share with you a very deep personal belief I hold. We are all sovereign nations and, therefore, free to choose our own way as long as we do not transgress upon the sovereign rights of one another. But we cannot really be free as independent states unless we respect the freedom and independence of each of our own individual citizens. In improving their lot, which is the only reason you and I hold high offices in our lands, we cannot forget that how we help them progress economically must be consistent with this highest objective of all—their personal dignity, their independence, and ultimately their freedom. That's what this job of ours is all about.

¹Text from White House press release. ■

The Cause of Peace

President Reagan's radio address to the nation, broadcast September 24, 1983.¹

My fellow Americans and fellow citizens of the world, this is Ronald Reagan, President of the United States, speaking to you live from the broadcast studios of the Voice of America in Washington, D.C.

In 2 days, I will be going to the UN General Assembly to speak for a cause that people everywhere carry close to their hearts—the cause of peace. This subject is so important I wanted to share our message with a larger audience than I usually address each Saturday afternoon in the United States. So today I am speaking directly to people everywhere, from Los Angeles to New Delhi, Cairo, and Bangkok, and I'm attempting to speak directly to the people of the Soviet Union. I'd like to talk about ideas and feelings all of us share which I intend to communicate to the United Nations on Monday.

Let me begin by bringing you greetings from the American people and our heartfelt wishes for peace. In these times of stress, I believe that the people of the world must know and understand how each other feels, their fears as well as their dreams. We Americans are a peace-loving people. We seek friendship not only with our traditional allies but with our adversaries too. We've had serious differences with the Soviet Government, but we should remember that our sons and daughters have never fought each other in war, and if we Americans have our way, we never will. People don't make wars, governments do. And too many Soviet and American citizens have already shed too much blood because of violence by governments. The American people want less confrontation and more communication and cooperation, more opportunity to correspond, to speak freely with all people over our respective radio and television programs, and most important to visit each other in our homes so we could better understand your countries and you could know the truth about America.

The treasure we Americans cherish most is our freedom—freedom to lead our lives the way we choose, freedom to worship God, to think for ourselves, and freedom to speak our minds even to the point of criticizing our own government. We do not believe in censorship. When

another government criticizes us, we know about it, and if they ever say something good, you can bet we'll know that too. The trouble is, we don't always have that same freedom to speak to others, especially those who live in the Soviet Union, and one-way communication prevents us from better understanding each other.

For example, the Soviet Government has taken extraordinary steps to justify its firing on a Korean civilian airliner killing 269 helpless people from 14 countries. But I ask those who have been told the United States is responsible: If you're hearing the truth, why has the outcry been so intense from members of the United Nations, the International Civil Aviation Organization, and why are pilots all over the world boycotting flights to Moscow? We have no quarrel with you, the Soviet people. But please understand, the world believes no government has a right to shoot civilian airliners out of the sky. Your airline, Aeroflot, has violated sensitive U.S. airspace scores of times, yet we would never fire on your planes and risk killing one of your friends or your loved ones.

I guess the picture painted of me by the officials in some countries is pretty grim. May I just say—and I speak not only as the President of the United States but also as a husband, a father, a grandfather, and a person who loves God and whose heart yearns deeply for a better future—my dream is for our peoples to come together in a spirit of faith and friendship, to help build and leave behind a far safer world. But dreams for the future cannot be realized by words alone. Words must be matched by deeds, by an honest, tireless effort to reduce the risks of war and the loss of life. In this era of nuclear weapons, no achievement could be more meaningful than a verifiable agreement that would dramatically reduce the level of nuclear armaments.

American negotiators in Geneva are offering fair-minded, equitable proposals in the interests of both our countries. In the strategic arms reduction talks, we propose deep cuts in both the number of warheads carried by intercontinental ballistic missiles and in the number of missiles themselves. This proposal offered cuts too far below current U.S. levels. The Soviet Government declined to consider them. We tried again. Last

June, we proposed a more flexible approach. Then during the last round of talks in Geneva, we presented a draft treaty responding to concerns expressed by the Soviet Government.

Also, from the outset of the intermediate-range nuclear force talks 2 years ago, I made clear that the United States was ready to join with the Soviet Union in the total elimination of an entire class of intermediate-range, land-based nuclear missiles. That offer still stands. I regret that the Soviet Government continues to reject this proposal. What could possibly be better than to rid the world of an entire class of nuclear weapons?

But in the effort to move the negotiations forward, we proposed an interim solution—some number on both sides below current levels. Again, the Soviet Government refused. I'm deeply aware of people's feelings and frustrations. I share them. And I intend to keep trying. On Monday I will go to the United Nations to propose another package of steps designed to advance the negotiations. All we seek are agreements to reduce substantially the number and destructive power of nuclear forces.

Yes, we insist on balanced agreements that protect our security, that provide greater stability, and that are truly verifiable, but these requirements are the essence of fairness. They would provide greater security for all nations.

We, the American people, deeply yearn for peace. If our dreams and hopes are to mean anything, we must sit down together and speak plainly. Just as government censorship is a barrier to understanding, the inflexibility of the Soviet Government on arms control is holding back successful negotiations. I have said to my own people, you have the right to expect a better world and to demand that your government work for it. This Monday I will have the honor to carry that message to the 38th general session of the United Nations. It will be a commitment from the heart and one that I know all people share. For the sake of our children and our children's children, I pray that the Soviet Government will not censor my words but will let their people listen to them and then negotiate with us in good faith.

¹Text from White House press release. ■

Vice President Bush Visits North Africa and Europe

Vice President Bush departed Washington, D.C. September 11, 1983, to visit Morocco (September 11-13), Algeria (September 13-15), Tunisia (September 15-16), Yugoslavia (September 16-18), Romania (September 18-19), Hungary (September 19-20), and Austria (September 20-21). He returned to Washington on September 21.

Following are the Vice President's statements, addresses, toasts, and remarks he made on various occasions during the trip.¹

MOROCCO

Arrival Statement, Rabat, Sept. 11, 1983

As Vice President, I have traveled abroad on many occasions, but this is the first time Mrs. Bush and I have had the honor of being received in this part of the world. We are just delighted that our introduction to it begins in "Maghreb El Aqsa," for it is "the extreme west of the Maghreb" that is the crossroads of European, Mediterranean, Middle Eastern, and African cultures.

For over 200 years, this country has extended the hand of friendship to the United States. We look with particular gratitude to Morocco's recognition of the fledgling United States at the time of our independence and, more recently, to the assistance Morocco and the Moroccan people provided during World War II and have continued to provide since.

President Reagan has asked me to visit Morocco not only as a tangible symbol of this long and close friendship but

as a mark of the high value that he places on the wise counsel of His Majesty King Hassan II, and I greatly look forward to continuing the exchange of views with His Majesty that we began during His Majesty's visits to the United States just last year.

And I am particularly pleased to visit Morocco at a time when determined efforts are being made to expand regional cooperation and development.

Once again, Mrs. Bush and I are delighted to be here for this, our first, visit to Morocco. We are very grateful to His Royal Highness and the Ministers and the diplomatic corps who came to greet us, and we look forward to a stay that I am confident will prove both useful and pleasant.

Departure Statement, Fez, Sept. 13, 1983

Moroccan hospitality is legendary, and Mrs. Bush and I can now attest to the truth of the legend. The graciousness of His Majesty King Hassan's welcome and the generosity extended to us by all of



Vice President Bush with King Hassan II of Morocco.

(White House photos by Valarie Hodgson)

the Moroccans whom we met has provided us with memories that we will always treasure.

President Reagan and I deeply appreciate the opportunity I have had to talk at length with His Majesty on a number of matters of mutual interest on the international and regional scene. My meetings with Prime Minister Bouabid, Foreign Minister Boucetta, and other members of the government likewise provided opportunities for a highly useful exchange of views.

I took particular interest in His Majesty's views on regional rapprochement and the steps now being taken toward resolution of the vexing question of the Western Sahara. The United States, like

other international observers, shares the hope that an equitable solution will be found and implemented in the very near future under the auspices of the Organization of African Unity (OAU).

Although my stay has been brief, I have been impressed by the diversity of participation in the political process. Morocco's multiparty system is alive and well. Under the guidance of His Majesty, democratic processes consistent with Moroccan culture are now at work to build a better future for the Moroccan people.

Once again, let me express our appreciation for the hand of friendship that we found so warmly extended to us during this visit.

ALGERIA

Address to Government Officials, Algiers, Sept. 14, 1983

You have made my wife Barbara and me feel very much at home here in Algeria, and I want you to know that we appreciate your warm welcome very much. I am honored that you have invited me to the beautiful capital of Algiers to meet and talk with you about the important issues that confront our two nations.

The United States has many valued

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friends in this part of the world and fruitful relations with most of the countries of North Africa. So it is a pleasure for us to come here and renew our diplomatic, economic, and cultural ties.

Our two countries share a common heritage: We both won our independence after long and bitter struggles against foreign domination. Algeria has shown what can be accomplished in nation-building in just a generation. It is a leader of the Nonaligned Movement, with an influential voice for fairness and reason in regional and world affairs. In this connection, all Americans gratefully remember Algeria's help in the resolution of the hostage crisis a few years ago. You have countless friends in America you do not even know.

Algiers is a most appropriate place, therefore, for me to talk about America's relations with the newly independent and developing countries of the world.

My country is 200 years old, but as we have not forgotten the dreams of our own beginnings, we have not grown indifferent to the hopes and desires of the younger nations. The United States had the first anticolonial revolution; and toward the end of the First World War, when colonialism still shrouded the

globe, we were instrumental in beginning the modern process of decolonization. After World War II, the United States continued to champion decolonization, because we remembered our own struggle for independence and the principles on which our own nation was founded.

Today, the end of the colonial system has transformed international politics and international economics. The United States is acutely aware that much of the world's future is being shaped by events in these newly independent and developing regions which embrace the broad majority of mankind. Out of enlightened self-interest and a consciousness of common humanity, the American people share your aspirations for peace, freedom, security, and progress.

We are now more than two decades into the postcolonial era. The euphoria of the early independence period has given way to a sober appreciation of the long-term problems of nationbuilding. New nations are confronted by serious challenges of regional security and economic development. Both developed and developing nations have learned that, politically and economically, our destinies are intertwined. Our well-being

and security are closely interrelated. We face many common challenges and opportunities for the future.

In the political dimension, as a result of history, geography, and philosophy, America and Algeria have different approaches on many issues. How vividly I remember this from my days as UN Ambassador. But while we often disagreed, we were never adversaries. This is due not only to the courtesy of Algerian diplomats and the skill of Algerian diplomacy, it also reflects a basic truth about America's conception of world order.

It was President John F. Kennedy—a great friend of Algeria—who said that America's goal was to help "make the world safe for diversity." The United States has its interests and objectives in the world, just as Algeria has its own. But America sees a world of truly independent, prospering nations as totally compatible with its interests. We do not wish to make over the world in our image. This is not our way. We respect the independence of others even when their ways are different.

Our own political and economic systems stress free competition, the clash of ideas, tolerance, openness—in a



With Algerian President Chadli Bendjedid (center, Zaki Aslan, interpreter).

word, freedom. It is sometimes chaotic, but it is a system that gives free rein to individual talent and initiative. Likewise in the international arena, we see pluralism and diversity as a source of creativity and dynamism. We seek no artificial uniformity or regimentation. We are not afraid of spontaneity. We are prepared to compete on a fair basis in the world of ideas as well as the world of economics. This is our tradition and our vision of a just international order.

Therefore we accept, and respect, the practice of genuine nonalignment. As long as a country is making its own independent sovereign decisions and respects the sovereignty of other nations in the world community, we respect its views, even when they differ from ours. And we are ready to work constructively with those countries on issues on which we agree and in areas where our interests coincide—even though we may not agree totally.

We welcome the diversity of points of view that exists among all countries—developed and developing—and we know their interests and circumstances are not all identical.

Every country has its unique potential and its unique problems. Therefore, we are concerned when some developing countries compromise their own individual principles to meekly follow a single voice or alien ideology or to pretend a false identity of views on major international issues. Such an artificial conformity obscures the real nature of the problems and blocks realistic solutions.

We reject the theory, offered by some nations, of a "natural alliance" between the nonaligned nations and the East bloc. If anything, we believe the West has vastly more to offer the nations of the Third World in terms of freedom and economic opportunity. And what the West has to offer does not require automatic conformity to preconceived social structures or political positions. True nonalignment means to seek a position independent of East and West and to apply equal objectivity in judging the actions and policies of both. If the nonaligned nations criticize the West, that is fine and healthy for all of us. We are always open to constructive criticism. Our system is built on debate and the free exchange of ideas and opinions. But objectivity and balance require equal care in observing the faults of the East. Many governments that call themselves nonaligned are remarkably myopic in recognizing what communism

does to human rights wherever it takes hold. Religious beliefs and practices, for instance, are strictly controlled by the state—sometimes outlawed altogether—and the faithful are harassed, intimidated, and thrown in jail.

It detracts from the credibility of the Nonaligned Movement when gross violations of international law are ignored or when human rights violations in the West are focused upon while those of the East—as in Afghanistan and other places—are overlooked. Credibility is the movement's currency, and it should not be so debased.

Our desire, and our policy, is to view every country in the developing world in its own right. Contrary to some misconceptions, we do not seek to inject East-West controversies into Third World issues or to attempt to force the countries of the Third World to choose between affiliation with the West or the East. We not only respect nonalignment, we value it as a precious contribution to global security, peace, and freedom.

Sadly, the world is much beset by regional conflicts which pose immediate dangers to the independence of developing countries and sometimes raise the grave danger of outside involvement. The world community, therefore, has a vital stake in strengthening the rule of law. It is the smaller countries of the world most of all whose well-being depends on the rule of law—on the principles of peaceful settlement of disputes, noninterference, and respect for the sovereign independence of states.

Recently the world was shocked by the tragic events over the Sea of Japan. The callous murder of 269 civilians aboard a commercial airliner was only compounded by the bald and careless lies of those responsible and the absolute contempt they showed for the just inquiries of the international community. The Soviets even threatened that they would do it again. No remorse. No expression of regret or sorrow. It's apparent that they don't place the same value on human life that we do. Imagine saying, "We'd do it again."

I ask you: Would your own country wantonly shoot down an unarmed commercial airliner filled with innocent men, women, and children for any reason at all? Never. Nor would mine. When any nation shows such brazen disregard for the most basic rules of international behavior and the most elementary

humanitarian considerations, it weakens the security of all nations and undermines the prospects for peace.

When developing countries come into conflict with each other, we believe that the best safeguard against expansion of local conflict is the concerted action of regional countries themselves—whether through institutions like the OAU or informally, as the Maghreb countries have recently demonstrated. Such efforts will always have the support of the United States. On Lebanon, for instance, we are working with all concerned in an attempt to secure the peace and integrity of Lebanon. We are trying to help, not dictate.

Let me turn now to America's economic relations with the developing world. In the economic dimension, Algeria and America start from different philosophies. But we have learned that practical cooperation is not only fruitful but essential, because philosophy alone won't put a dollar or a dinar in your pocket or contribute to a nation's economic development. Business is business. You need it, and we need it.

The United States, too, was once a developing country, and our approach is very much colored by our historical experience. We have seen the free market system work—as a great liberator of talent, energy, initiative, and creativity. In our experience, technological innovation and economic growth came from the dynamism of private enterprise, not from government. And we saw this process of development work most effectively for us in a political context of pluralist, constitutional democracy.

Other nations, we recognize, having a different history and philosophy, have chosen different models. Some have chosen ours, and we sincerely believe our approach has proven the most effective for many countries in the developing world. But we believe more strongly that every people should be free to choose their own way. We have no quarrel with those who choose a different economic system from ours—only with those who seek to impose their choice on others or who claim to speak for workers without allowing workers to speak for themselves.

As Algerians know, there are no shortcuts to development. In the long term, trade not aid is the primary source of external resources to stimulate

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growth for all countries. In 1980 the developing countries had export earnings of about \$580 billion. This amounted to 17 times their net inflow of resources from foreign aid. Therefore, the openness of the world's trading system is of crucial importance. As the world economy now moves toward recovery, it is most important for all of us to resist internal protectionist pressures and, indeed, to move ahead on new measures of trade liberalization, such as we have undertaken with our Caribbean Basin Initiative, with special care for the opportunities and vulnerabilities of the developing countries.

The United States has a strong tradition of support for development through bilateral and multilateral aid, through trade liberalization, through strengthening international institutions, and through technology transfer from the private sector. In the decade of the 1970s, the U.S. Government provided \$57 billion to the developing world—\$43 billion in official aid, and \$14 billion in contributions to the multilateral development banks. Our foreign aid program has increased each year of the Reagan Administration, even while many domestic programs for our citizens have been cut. The United States continues to be the world's largest contributor of official development aid, and over two-thirds of our aid goes to the poorest countries. We have played an active role in multilateral efforts to ease debt problems, and we are proud of it.

The bilateral economic relationship between the United States and Algeria is proof that cooperation can be mutually beneficial for two very different economic systems. You have welcomed modern technology from the West and yet preserved your values, your independence, and your nonalignment. The United States is happy to have cooperated in Algeria's technological progress. Our mutual experience shows that American private business and Algeria's *entreprise nationales* can work as partners, to mutual benefit. As Commerce Secretary Baldrige's recent visit demonstrated, we are ready to do more.

The American economy is now launched on a vigorous, sustained recovery. This is probably the single most important thing we can do to help restore growth in the developing world. In the United States, inflation and interest rates are way down from past

years, and the key indicators of production are up sharply. We are embarked on a broad program of regulatory relief, to get the Federal Government off people's backs and out of their pockets. Growth with low inflation has also returned in Britain, Germany, Japan, and others, which together with the United States account for about three-quarters of the production of the industrialized nations. If we all maintain discipline in our policies and freedom in our trading system, the entire world may be headed into a new period of steady, long-term, noninflationary economic expansion.

We in the United States know that our own future is very much bound up with the future of the rest of the world. Political turmoil and regional conflict affect international security, which threatens us all. And our own economic health is very much enhanced by the economic vitality of the world economy, of which the developing world is an increasingly important part.

To any country that seeks freedom, peace, and free and fair trade, the United States will be a reliable friend. We look upon the problems of peace and economic development as challenges facing us all. We are prepared to do our part to help. We hope that others will meet us in the same spirit.

The United States is proud of its growing relations with Algeria and its long friendship with the people of the Maghreb. We are privileged to be able to work with you on the common agenda facing mankind. If we are at odds, there is little that we can accomplish separately. If we work together, there is much we can do to make the world a better place for all our peoples.

TUNISIA

Dinner Toast, Tunis, Sept. 15, 1983²

It's a great pleasure for me to be here, and sharing a meal represents an important aspect of Arab hospitality everywhere, marking as it does, friendship between individuals. Our gathering here today marks a similar bond—the spirit of friendship between two nations.

Tunisia and the United States enjoy sturdy relations rooted in trust, mutual respect, and common tradition. Our two

countries, moreover, share a deep and binding commitment to the belief in the basic dignity of man and in his right to a free and productive life.

Under your wise leadership, Mr. President, such values have become a fundamental element of the Tunisian political tradition, and we in the United States applaud this courageous and dedicated commitment to democratic traditions. President Bourguiba has set an example we must all strive to follow as we seek to preserve and strengthen the very rights we enjoy, so that those who come after us might likewise know freedom.

In the United States, we believe that political freedoms go hand-in-hand with economic choice and that a just social order is strong in part because it frees the energies of the individual as he struggles to overcome material want. And here in Tunisia, certainly, you've not only established a democratic order but made great strides toward prosperity.

Exercising wisdom and foresight, President Bourguiba guided Tunisia through the early stages of development and into the present, far more dynamic era. The United States is proud of the role it has played in Tunisia's fight for a better life for its people—the Greater Jihad, as President Bourguiba has called it—and we share in the sense of accomplishment the people of Tunisia take in their achievements.

Close economic cooperation has played a key role in Tunisian-American relations over the years and, I assure you, it will continue to play a key role in the years to come.

As Tunisia builds on its achievements, like all countries, it will require secure borders and the strength with which to counter any outside threats. For our part, we in the United States remain firmly committed to the territorial integrity of Tunisia and to the principle of noninterference in the internal affairs of states. And just as domestic tranquility is essential to economic growth, so regional stability is essential to world peace. And I refer to the subject you so eloquently spoke on: peace in the Middle East—a peace that has eluded us for 35 years.

Let me state clearly that the United States remains committed to help the people of the region achieve a just and durable peace. Here's what our President said, Mr. President: "A secure and

lasting peace for the Arab people and Israel, including a resolution of the Palestinian problem that satisfies the people's rights, is a fundamental objective of our foreign policy." We remain steadfast in our belief that true peace, true security cannot be imposed but must be achieved through negotiations.

I know that you share our deep concern and the anguish that we feel over the violence in Lebanon, and, at this moment, our thoughts and prayers are with the Lebanese people—Christian and

Muslim alike—who have already suffered so much. With the Lebanese Government, we are convinced that the only solution for all the people of Lebanon lies in the withdrawal of all foreign forces from Lebanese territory.

I repeat that all parties should withdraw from Lebanon, and that is the firmly held position of the U.S. Government. At this critical time, the Lebanese Government needs and deserves the support of all its friends, and I know that the long-suffering people of Lebanon can

Though our stay was short, we were able to accomplish much, thanks largely to the Prime Minister's skill at getting straight to the heart of every matter.

Even when we disagree, our differences are those of friends. Tunisia and the United States share a common approach to the world—an approach based on the belief that international relations should be based, not on subversion, threats, and mindless calls to arms, but on cooperation, mutual respect, and reason. And here in the Maghreb—this dynamic, youthful, rapidly changing region of the world—the United States has no stauncher or more important friend than Tunisia.

This is just as true now as it has been for the last quarter of a century. We admire Tunisia's achievements, in which we are gratified to have been able to play a part. We support Tunisia's independence from external threats and pressures, and we respect Tunisia's nonaligned status. Our support for Tunisia's security reflects not geopolitics but our profound belief that the Tunisian model of responsible political and economic development is one which has achieved significant progress and one that some others—including those who sometimes cast a covetous eye on what Tunisia has done—would do well to emulate.

The kind of international environment we seek to foster is in essence one in which the Tunisias of the world are free to progress and develop in accordance with their particular national genius. And I am happy to say that I come away from this visit with a renewed and deepened sense of confidence, both in the underlying strength of our friendship and in the achievement of Tunisia's institutions and political traditions.

Finally, Mrs. Bush and I want to thank President Bourguiba as well as our good friends the Prime Minister, the Foreign Minister, and all their colleagues for all their wonderful hospitality. We really have been deeply impressed by the history which surrounds us here, the dynamism of modern Tunis, and the warmth and sincerity of all the Tunisians we have been privileged to meet.



Vice President and Mrs. Bush are greeted by President Habib Bourguiba of Tunisia and Mrs. Bourguiba (center, Prime Minister Mohamed Mzali).

count on Tunisia's support and understanding now as in the past.

Therefore, I ask you to join me in a toast and all our guests to the spirit of friendship and cooperation between our two countries and to our common destiny for peace in the world.

Departure Remarks, Tunis, Sept. 16, 1983

Our departure today concludes our visit to the Maghreb. In many ways, it's fitting that Tunisia should be the last stop in this part of the world. I'd like to just take a moment to reflect on my stay here in Tunisia.



With Vice President Vidoje Zarkovic of Yugoslavia.

YUGOSLAVIA

**Statement,
Belgrade,
Sept. 17, 1983**

As you know, I arrived in Yugoslavia yesterday as the guest of Vice President Zarkovic. I have held talks with him and with President Spiljak, Prime Minister Planinc, Foreign Secretary Mojsov, and other Yugoslav officials. I was extremely satisfied with our discussions. As always, our talks were held in the friendly, open, and constructive manner which is characteristic of the good bilateral relationship between our countries.

As a result of those talks, it is clear that the principles that have successfully governed the Yugoslav-American relationship for so many years—respect for independence, sovereignty, equality, and noninterference—remain valid today and will remain valid in the future. A completely independent, truly non-aligned Yugoslavia is a positive factor for both European security and world peace, and the United States supports such a role and position of Yugoslavia.

My Yugoslav hosts discussed Yugoslavia's economic prospects and the Yugoslav Government's policy of economic stabilization. I have expressed my government's strong support for these determined efforts to place the Yugoslav economy on a firm basis. In that connection, I discussed the upswing in the U.S. economy and recent develop-

ments in our international economic policy. I expressed my conviction that these improvements in the U.S. economic performance will benefit Yugoslavia's own efforts to expand exports to the convertible currency area. We reviewed recent examples of bilateral, political, economic, and cultural cooperation and the prospects of strengthening such cooperation in the future.

We discussed the problem of terrorist attacks against Yugoslav diplomatic, consular, and other representatives in the United States. The United States deplores all such acts of terrorism and will not tolerate such acts in its territory. We also reviewed the

specific measures that the United States has taken to prevent such attacks against Yugoslav representatives.

We also discussed pressing international issues. We are both sincerely concerned about the problems of peace and security in the world today. My government profoundly respects the Yugoslav point of view on international issues, on which we have had and will continue to have a very rewarding and ongoing dialogue.

ROMANIA

Dinner Toast, Bucharest, Sept. 18, 1983³

Mrs. Bush and I deeply appreciate the warm reception that we have already received here in Romania and we hope to come again and see more of this beautiful country and to experience more of your rich culture.

I hope this visit will strengthen our traditional friendship. The frank talks I have had with you today, Mr. Vice President, and with other members of your country's leadership have reaffirmed my belief that our relations are fundamentally good and that they will exist on both sides to assure the continued growth and development of American-Romanian relations in all fields.

Our two nations do share a common desire for a world of peace and prosperity. Each of us is engaged in vigorous efforts, both in our bilateral relations and in international forums, to find peaceful solutions to world disputes and to further global economic development.

You mention the question of intermediate-range nuclear force negotiations in Geneva now going on. We appreciate a relationship in which President Ceausescu feels that he can communicate directly with our President and give his advice and suggestions. His conviction on this matter is well known to us. The point I wanted to make here is that our President is deeply committed to significant arms reductions. I am not sure we have properly conveyed his conviction to the world at large, but it is a deeply held conviction that he feels very, very strongly about. The United States will stay at that table as long as is



necessary to achieve the reductions that all mankind really truly wants.

We have just reached agreement in Madrid on a concluding document, and this is a good negotiation and a good result. Now the time has come not only for words but for deeds. We must work together to ensure that the ideals of Helsinki and Madrid are given concrete expression, particularly in human rights, including human contact and emigration. And I appreciate the opportunity we had to have a frank exchange on this and a wide array of subjects this morning. We did exchange views on an array of issues of great importance and I am totally convinced that the better understanding we have achieved will strengthen the relations in all the fields.

And now, please join me in a toast to President Ceausescu; to the independence and prosperity of a Romania that we respect; and to the continued strengthening of the bonds of friendship between the American and Romanian peoples.

With President Nicolae Ceausescu of Romania.

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HUNGARY

Dinner Toast, Budapest, Sept. 20, 1983⁴

Hungary and the United States are separated by thousands of miles of land and ocean and by different economic and political systems—this we all know. What we are only beginning to discover, however, is the extent of the common ground on which Hungarians and Americans of good will can meet.

Human rights represent one such ground. We in the United States are heartened by Hungary's efforts to expand contacts, to foster tolerance, and to meet the commitments that bind both our countries under the Helsinki Final Act. In the relations between our two nations, human rights and fundamental freedoms have not represented a point of discord but, instead, brought us closer together. May this aspect of our relations serve as an example to the rest of the world.

Trade provides further common ground. Our economic relationship is a good and active one, and it should ac-

quire even more regularity and dynamism in the years ahead. Both our countries are members of the great intergovernmental commercial and financial institutions—the General Agreement on Tariffs and Trade, the International Monetary Fund, and the World Bank. Both know that trade means a better life for all and that the barriers to trade should be lowered, even when economic conditions lead some to clamor for the shortsighted measures of protectionism.

We in America understand and admire your commitment to fiscal solvency and to the reform and revitalization of your economy. We further admire your efforts to tap the spirit of enterprise and creativity in your citizens.

Our greatest common ground arises from our people—from millions of Hungarians and Americans, the ordinary citizens upon whom our nations are founded, who so ardently desire to lead their lives and raise their families in peace. The United States is deeply committed to the construction of a sounder, more cooperative and constructive relationship with all of the nations with which your country is aligned.

The alliance to which my own country belongs is responding and will continue to respond to threats to the military stability that has for nearly four decades kept the peace in Europe and much of the rest of the world. We do not seek to upset that stability or to reestablish it at a higher level of danger. We have, instead, put forward proposals, in good faith, to lower the levels of the most dangerous destabilizing weapons now in Europe. We wish to negotiate agreements that are in the enlightened self-interest of both alliances and of all peoples. We look for signs of understanding, for a readiness to construct this new relationship, and we will readily respond to the outstretched hand that seeks a fair agreement.

Earlier I mentioned the Helsinki Final Act. We must not allow the Madrid document to become subject to the same disappointments which have until now beset the original Helsinki agreements. Here is a challenge and an opportunity in which we must work together.

I have had long and good talks today with you and with First Secretary Kadar. I came away from these talks convinced that it is possible for the

Clockwise: Vice President Bush; Adm. Daniel Murphy; Executive Secretary Vice President's Office, Donald P. Gregg; Hungarian Prime Minister Gyorgy Lazar; Party Secretary Janos Kadar; and Gyorgy Banlaki, interpreter.



members of our two alliances to talk soberly and responsibly in a mutual search for understanding and for peace.

I want to add something that is not in the text of the toast. Mr. Prime Minister, please thank the First Secretary for the meeting we had today. You were present at that meeting and the conversation was, indeed, stimulating, beautifully frank. We came away reinforced in our conviction that we were with a man of enormous capacity and leadership capability. I just did not want this toast, drafted before that meeting, not to reflect how strongly we felt about it.

I would like to stress that the improvement of Hungarian-American relations in recent years is not directed against anyone. It is, instead, we deeply believe, in the interests of all peace-loving states and peoples. What we have accomplished together exemplifies what must be done in the rest of the world.

Please join me in a toast to the friendship of the American and Hungarian peoples and of the American and Hungarian Governments. May that friendship flourish, and may it serve as an example of all that can be accomplished between nations of good will.

AUSTRIA

Dinner Toast, Vienna, Sept. 20, 1983⁵

Austria has experienced empire and dominion, suffered wars and internal upheavals, and has itself been dominated and occupied. Yet Austria stands today as a strong, sovereign, democratic state. And although officially neutral, Austria leaves no doubt that it shares the values and insists on the freedom of the West.

Austria has long played a large and constructive role in world affairs. In 1956, just 1 year after the conclusion of Austria's struggle to regain its own sovereignty, this nation opened its borders to Hungarian refugees, demonstrating moral leadership at grave risk. Subsequently, Austria has earned the admiration of free nations everywhere by offering asylum to refugees at times of crisis in Czechoslovakia and Poland and by extending critical help to Soviet Jews seeking a new homeland. Your active participation in international forums, particularly the United Nations and the Conference on Security and Cooperation

in Europe, has consistently demonstrated this nation's willingness to labor in the interests of peace.

Ten days ago, the Foreign Ministers of 35 states—from East and West—met in Madrid to approve a new document that strengthens—modestly but significantly—the provisions of the Helsinki Final Act on human rights, information, and cooperation and exchanges in the fields of culture and education.

We have no illusions, of course, that the Soviet Union and those of your Eastern neighbors, who have consistently violated the Helsinki Final Act, will suddenly modify their behavior. But as President Reagan has said, such agreements are the necessary building blocks for a more secure and stable world.

In 1986, in Vienna, there will be another Helsinki review session, and we will continue to reject the notion that Helsinki in some way endorses the present, tragic division of Europe; we will steadfastly insist that the heart of Helsinki is a commitment to openness and a commitment to human rights.

Our government is pleased and gratified by our nation's friendship with Austria—a friendship demonstrated this year by the visits to the United States of former Chancellor Kreisky and then-Vice Chancellor Sinowatz, and by the reopening of our Consulate General in Salzburg by Deputy Secretary of State Kenneth Dam. And we look forward with pleasure to the first visit to the United States by an Austrian head of state since the founding of your republic when President Kirchschrager comes to Washington next year. And what, on a more personal side, clearer indication could there be of the regard with which we view Austria than our designation of Helene von Damm as our Ambassador? True to form, she is working vigorously to make the Austrian-American relationship even closer by stepping up youth exchanges and promoting trade between our two nations. And for those of you who haven't met her or worked with her, if you don't want to work hard, stay out of her way.

As I look around this table, I see so many friends of the United States. But let me close by simply stating that we in the United States hold your country in the highest esteem. Herr Chancellor, you are a small country, you said that, but you are our friends, and we are proud to be your friends.

Please join me in a toast to the friendship between our two nations and to the health of Chancellor Sinowatz.

Address at the Hofburg, Vienna, Sept. 21, 1983

It is a pleasure for me to come here and speak to you today and it is appropriate that the setting be the Ceremony Hall of the Hofburg, a hall which has witnessed both the full horror of dictatorship and the glistening promise, the abundant actuality of freedom.

This beautiful country of Austria is now in the full bloom of democracy, but others are not so fortunate. I have just come from the countries to your east, and I have seen in the faces of the people there a yearning for the same freedoms and democratic rights enjoyed by the people of Austria. I know that this is a subject of particular concern to Chancellor Sinowatz, whose home in the Burgenland sits only a few miles from Austria's eastern border.

Last January I traveled to Germany, and in the course of my trip paid what for me will always be an unforgettable visit to the small village of Moedlareuth. Down the main street ran a high concrete wall topped with densely packed barbed wire. On the rear side, the villagers were peacefully going about the ordinary business of their daily lives. On the far side, soldiers stood watch with machine guns, and attack dogs ran along the wall on chains.

As I looked out to the east, I had the momentary impression that I was standing in a lonely outpost on the edge of western civilization. Given the harsh reality of the wall, the impression is perhaps understandable; but how true is it?

Historically, of course, it couldn't have been more false. That wall—that wound which in one form or another spans the breadth of the continent—runs not along the edge but cuts through the very heart of Europe. The diverse and complex region through which I have just traveled, a region so rich in history and culture, has always been a part of the European mainstream.

You Austrians so aptly call this part of the world *Mitteleuropa*—central Europe. Can a wall, can guard dogs and

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machine guns and border patrols deny hundreds of years of European history? Can they create and enforce this fictitious division down the very center of Europe?

When we think of that monstrous wall, we think first of the very personal violence it expresses—families divided, a people held prisoner in their own country. But what of the violence—just as real—it does to our history and traditions? What of the violence it does to Europe?

Czeslaw Milosz, the Nobel Prize-winning Polish poet, is one of the many dissident artists, writers, and intellectuals who were forced to choose exile from the language and country they loved rather than be exiled from their history and cultural traditions within their own country. In Milosz's famous book, *The Captive Mind*, he writes about the "extinguishment" he sees in the face of East European intellectuals. Their countries, they know, are rightfully part of an ancient civilization, one that is derived of Rome rather than Byzantium. "It isn't pleasant," he writes, "to surrender to the hegemony of a nation which is still wild and primitive, and to concede the absolute superiority of its customs and institutions, science and technology, literature and art. Must one sacrifice so much . . . ?", he asks.

Over a hundred years ago, some Tsarist historians spoke with a contempt born of envy of the "decadent West." One example of such decadence was, no doubt, the music of Frederic Chopin. In a recent essay, the Czechoslovakian author, Milan Kundera, tells of how 14 years after Chopin's death, Russian soliders on the loose in Warsaw hurled the composer's piano from a fourth-floor window. "Today," writes Kundera, "the entire culture of central Europe shares the fate of Chopin's piano."

It has often been remarked that of the three great events in European history—the Renaissance, the Reformation, the Enlightenment—Russia took part in none. But *Mitteleuropa*, the region that gave birth to Jan Hus, took part in them all. This region has always looked west, not east. I was struck by the close ties in even its easternmost quarter when I heard the beautiful romance language, so similar to French and Italian, spoken by the people of Romania.

Fortunately, we are beginning to see fissures in the wall. During my visit I saw that, more and more, the natural forces which bring people closer together, rather than push them apart, are beginning to reassert themselves.

We in America feel strong and unbreakable ties with the people of central Europe. So many Americans came to our country from this region to escape poverty and religious and political persecution. Many still do. America was built in great part through the industry of Hungarians, Germans, Czechs, and Poles. Across the street from my office in the White House stands a statue of Tadeusz Kosciuszko, a hero of our revolutionary war, whose brilliance as a military engineer helped free my country from foreign domination. The United States, in fact all of the civilized world, remembers with the deepest gratitude the part played by the free Polish forces in World War II, the brave fighters who rejected Hitler's and Stalin's infamous pact to partition their country. And we will never forget the courage of the Poles who, after years of suffering the ravages of war and the ruthless suppression of their people, rose up again in Warsaw—they fought to the end, while those who called themselves their allies cooled their heels on the east bank of the Vistula River.

The ties of my country to central Europe are many, our histories are often intimately intertwined. The founder and President of the first Czechoslovak Republic, Thomas Masaryk, married an American. Sixty-five years ago this October, he wrote the Czechoslovak Declaration of Independence, a document founded on the same "historic and natural" rights that guided our own forefathers in writing our Declaration of Independence. To quote from that document written by Masaryk: "We accept and shall adhere to the ideals of modern democracy, as they have been the ideals of our nation for centuries." The "nation of Comenius," he said, accepts "the principles of liberated mankind, of the actual equality of nations, and of governments deriving all their just power from the consent of the governed."

The Czechoslovak Republic, which lasted from 1918 until 1938, was one of the most prosperous countries in Europe. Its charter guaranteed "complete freedom of conscience, religion and

science, literature and art, speech, the press, and the right of assembly and petition."

Today, according to their own Constitution, the Czechs are promised the same freedoms; so, too, by written law and international treaties to which the Soviet Union and the governments of Eastern Europe are signatories, are the people of other countries in the region promised these basic human rights. But we have seen how often governmental deeds diverge from official promises. The people in many parts of Eastern Europe must now carry on their culture, their traditions, underground and in fear.

But there are groups, such as the Charter '77 movement in Czechoslovakia and Solidarity in Poland, which have sought to persuade their governments to abide by their own laws and international commitments. Because of these individuals, who courageously demand their human rights, and because of the more imaginative leaders in some of these countries who have listened to the just wishes of their people and have sought to democratize their social and economic systems, European culture on the eastern side of the continent will never die.

The United States shares with these people a vision of Eastern Europe in which respect for human rights becomes the norm and not a rare concession to international pressure, where prosperity and advancement replace economic backwardness, and openness overcomes barriers to human contacts and economic cooperation. In approaching the problems of the region, U.S. policy is guided by certain constants. First, we recognize no lawful division of Europe. There is much misunderstanding about the substance of the Yalta conference. Let me state as clearly as I can: There was no agreement at that time to divide Europe up into "spheres of influence." On the contrary, the powers agreed on the principle of the common responsibility of the three Allies for all the liberated territories. The Soviet Union pledged itself to grant full independence to Poland and to all other states in Eastern Europe and to hold free elections there. The Soviet violation of these obligations is the primary root of East-West tensions today.

A similar misunderstanding exists about the Helsinki accords. Some argue that Helsinki endorses the *status quo*,



With Chancellor Fred Sinowatz of Austria.

the present division of Europe. We reject this notion. At review sessions in Belgrade, Madrid, and the upcoming session here in Vienna in 1986, we have stated and will continue to insist that the heart of Helsinki is a commitment to openness and human rights.

Let me stress here that the United States does not seek to destabilize or undermine any government, but our attitude toward the region is informed by a sense of history—of *European* history.

For this reason, we support and will encourage all movement toward the social, humanitarian, and democratic ideals which have characterized the historical development of Europe. We appreciate the special role of countries such as Yugoslavia and Austria which have contributed so much to restoring historic patterns of trade and communications.

We share with the people of Eastern and central Europe three basic aspirations—freedom, prosperity, and peace. We recognize the diversity and the complexity of the region. Of Austria's

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neighbors to the east, some have shown a greater measure of independence in the conduct of their foreign policy. Some have introduced greater openness in their societies, lowered barriers to human contacts, and engaged in market-oriented economic reforms. Others, unfortunately, continue to toe the Soviet line. Their foreign policy is determined in Moscow, and their domestic policies still flagrantly violate the most fundamental human rights.

In our relations with the countries of Eastern Europe, we take these differences into account. Our policy is one of differentiation; that is, we look to what degree countries pursue autonomous foreign policies, independent of Moscow's direction, and to what degree they foster domestic liberalization—politically, economically, and in their respect for human rights. The United States will engage in closer political, economic, and cultural relations with those countries such as Hungary and Romania which assert greater openness or independence. We will strengthen our dialogue and cooperation with such countries.

We are not saying that countries must follow policies identical to those of the United States. We will not, however, reward closed societies and belligerent foreign policies—countries such as Bulgaria and Czechoslovakia which continue to flagrantly violate the most fundamental human rights, and countries such as East Germany and, again, Bulgaria, which act as proxies to the Soviets in the training, funding, and arming of terrorists and which supply advisers and military and technical assistance to armed movements seeking to destabilize governments in the developing world.

Let me stress once more that our hopes for Eastern Europe are peaceful. But we believe that reform is essential. Over the span of many years, the United States has provided hundreds of millions of dollars of loans and credits for the Polish economy in the hope that this aid would help build a more plentiful and open society. We cannot, however, be expected to shore up a nation's economy when the government refuses to institute the most basic economic reforms.

If countries insist on following the Soviet economical model, even dollars, francs, and marks cannot prevent the certain failure of their economies.

It is by now abundantly clear that highly centralized, command economies cannot fulfill the basic needs of their populations, let alone remain competitive in world markets or keep pace with technological advancement. Just as retarded industrial development relegated much of 19th century central Europe to a backwater of agricultural poverty, there is ample evidence that the unfolding information revolution will sweep past an unprepared Soviet Union and much of Eastern Europe—unless there is basic change. For example, Hungary's relative prosperity demonstrates the practical, positive results that follow on social and economic liberalization.

The countries of Eastern Europe have a choice to make. They can close themselves off or they can open up and join the world economy positively as traders rather than debtors. Think about this: 25% of all Soviet farm output comes from private plots that occupy less than 3% of the Soviet Union's agricultural land. It's doubtful whether Soviet agriculture could survive without this concession to private enterprise.

Freedom is the essential component of progress—the freedom of each individual to bring his knowledge and wisdom to bear on the economic decisions that will directly affect his life. This requires freedom of information, the free flow of ideas, and the free movement of people. We take these freedoms to be fundamental moral precepts, but they are also practical necessities. If a society revises history to suit ideological needs, if it censors information, if it punishes imaginative and creative individuals and discourages initiative in its people, that society condemns itself to ignorance and backwardness and poverty.

Just as freedom and prosperity go hand-in-hand so too are freedom and prosperity linked to peace. I know that the people of central Europe, who have such an intimate experience of the waste and horror of war, ardently yearn for peace. President Reagan and I and the American people share in your hopes and desires. Our commitment to nuclear

arms reduction—not just arms control but the reduction of these terribly destructive weapons—is unshakeable. The United States has already unilaterally withdrawn 1,000 nuclear warheads from Europe. The implementation of the 1979 NATO decision to deploy INF will not increase by even one the number of nuclear weapons in Europe. But while we've been withdrawing nuclear weapons, the Soviets have been engaged in an unprecedented and relentless military buildup in conventional and nuclear arms.

One of the most dangerous and destabilizing new elements is the Soviet Union's monopoly of intermediate-range nuclear missiles—missiles which can strike any target in Europe within a few minutes. The Soviets have already more than sufficient INF weapons in place to meet their security requirements, and yet they seek to further intimidate the people of Europe by dire warnings of counterdeployments in Eastern Europe should NATO go ahead with deployments in December.

It is our hope that the Soviet leadership will have the courage and vision to reverse their dangerous arms buildup. If they show some flexibility at the bargaining table and a balanced approach is adopted, agreement in Geneva is still possible before the end of this year. Here in Vienna, at the negotiations for mutual and balanced force reductions, after many years of stalemate, there are some signs of movement for verifiable reduction in conventional forces in central Europe.

But a prerequisite for peace is respect for international law. Regrettably, the Soviet Union and most of the Warsaw pact countries continue to flout the human rights agreements to which they are all signatories. And the world is still in shock from the brutal murder of 269 civilians aboard a commercial airliner which strayed off course and was unlucky enough to pass over Soviet territory.

Let me ask you this question: Would the United States, would Austria, ever

wantonly shoot down a commercial airliner? Never. But the Soviets resolutely state they would do it again. These are not the actions and words of a civilized system. The European tradition stresses, above all things, a respect for human life. Those traditions, sadly, are not universal.

What are we to think of leaders who compound such brutal deeds with bald and careless lies and who respond to the just inquiries of the international community with utter contempt? This use of brute force is exactly the kind of Soviet behavior in Eastern Europe that the United States has been protesting for years.

Recognition of the true nature of the Soviet system doesn't make our desire for peace any less strong. If anything, it makes it stronger. But we enter all negotiations with the Soviets with our eyes open. We will never give up in our attempts to use reason and whatever

reassurances we can give to persuade the Soviets to join truly constructively the community of nations. Our desire for peace is strong and unfailing. With your help, with the help of all nations, I'm certain we can make that hope a reality.

I'd like to close with the words of a great *Mitteleuropean*, His Holiness Pope John Paul II. In just three lines he pointed out the road toward a better future.

Persons over Things
Ethics over Technology
Spirit over Matter.

I have visited four important nations in central Europe—nations rich in culture and history; nations with differing systems and perspectives. But in my talks with the leaders and people of these countries, I've become convinced that we all share a common goal—to heal the wounds that separate us, to remove the artificial barriers which divide us, and to reduce the level of fear and terror in the world through arms reduction.

I come away from Eastern Europe with a strong sense of its diversity, a

strong sense of the uniqueness of each country. With some, our ties are already greatly improved—my visit is one indication of that. But we are not about to write off a single country. We are ready to respond to each to the extent that they are meeting their own people's aspirations, are pursuing their own independent foreign policy, and are willing to open up to the rest of the world.

I am an optimist. I see a bright future for central Europe—a future of peace, prosperity, and freedom. I am positive the barriers will come down and that the desire of our neighbors to the east to become once more a full part of Europe will finally, after many hard bitter years, be fulfilled. In this spirit of reconciliation, we must all work together to make this optimistic vision a reality—to once again make Europe whole.

¹Texts from the Vice President's Office of the Press Secretary.

²Made at a dinner hosted by Prime Minister Mzali.

³Made at a dinner hosted by President Ceausescu.

⁴Made at a dinner hosted by Prime Minister Lazar.

⁵Made at a dinner hosted by Chancellor Sinowatz. ■

U.S. Objectives in Lebanon

Secretary Shultz's statement before the House Foreign Affairs Committee on September 21, 1983.¹

I welcome this chance to talk with you about our objectives in Lebanon and about the importance President Reagan attaches to cooperating with the Congress in pursuit of these objectives. The challenge in Lebanon is a challenge we face together, as a nation. The issues are not partisan issues. At stake are goals and principles of American foreign policy on which, I dare say, there is a broad measure of consensus. Whatever legitimate differences there may be over tactics or prerogatives, our leadership in the world is clearly impaired if the President and the Congress attempt to conduct two different foreign policies. We must work together to meet our common, national responsibility or else our common, national interests in the world will suffer. In the last 15 years, there have been instances of deadlock between our two branches of government which resulted in harm to our foreign policy and human tragedy. The President is determined that this will not be such a case.

This is the spirit in which we approach this problem, and I am heartened by the similar spirit I have seen in the Congress. As President Reagan said yesterday, we support the bipartisan leadership agreement that has been reached. This agreement, in my view, serves the national interest.

Let me explain the Administration's view of what is at stake in the Middle East and in Lebanon; what our diplomacy is attempting to accomplish there; and why the presence of our Marines has been of enormous importance.

Our Policy in the Middle East

It is almost 10 years since the October 1973 war, and for the past decade the United States has been vigorously and almost continuously engaged in Middle East diplomacy. Given our strong moral and political commitment to Israel and our many strong friendships in the Arab world, we have always perceived that a negotiated solution to the Arab-Israeli conflict was in the national interest of the United States. Israel and its Arab

neighbors deserve to live in peace and security; the Palestinian people deserve a just solution to their legitimate rights and aspirations; all the nations of the region deserve a future free of external intervention or superpower confrontation.

The road to peace is long and hard, and we have no illusions about it. But we can be proud of the role our country has played in bringing about many significant steps toward peace in the past 10 years. Just over a year ago, President Reagan addressed himself to the broader questions of Middle East peace in a major initiative, which offered—and still offers—the most practical and workable and hopeful basis for negotiation. Anyone in the Middle East who truly seeks a just, secure, and comprehensive solution to the conflict will have to turn in the direction of the President's initiative, firmly grounded as it is in the Camp David accords and UN Security Council Resolutions 242 and 338.

The crisis in Lebanon cannot be isolated from the larger Middle East crisis. It involves many of the same parties concerned with the broader issues of Middle East peace. It involves similar questions of security, respect for sovereignty, and peaceful settlement of disputes. To advance toward a peaceful solution in Lebanon will contribute to the broader peace process; setbacks in Lebanon will make the broader effort that much harder.

Our Objectives and Policy in Lebanon

Our objectives in Lebanon have, from the beginning, been essentially threefold:

- The withdrawal of all external forces from Lebanon;
- A sovereign, independent Lebanon dedicated to national unity and able to exercise control throughout its national territory; and
- Security for Israel's northern border, so that the inhabitants of northern Israel can live in safety and without fear of artillery or rocket attacks.

These objectives are not changing. They are, and have been, a constant of our policy. The latest outbreak of fighting should not cause us to lose sight of them.

Lebanon is a proud and beautiful country, whose people have contributed much to the world. Yet it has also had a complex and turbulent history. The roots of enmity in that country go very deep indeed. Nevertheless, for many years Lebanon thrived because political rivalries were accommodated and a delicate balance maintained. Our country, too, suffered a tragic civil war, but we survived and overcame it. The people of Lebanon remember a happier time when their nation was a dynamic, progressive, and prosperous democracy. The yearning for peace, too, runs deep in Lebanon.

With the end of the terrible ordeal of Beirut last summer and the election of President Amin Gemayel shortly thereafter, it appeared that Lebanon would get a second chance after all. Almost all of Lebanon's many confessional groups pledged their loyalty to their new leader and seemed ready to bury their differences in the name of political and economic renewal. War damage was quickly being removed from Beirut and reconstruction seemed well underway.

To consolidate this hopeful beginning, it was clear that Lebanon had, as a matter of top priority, to see to the withdrawal of all non-Lebanese armed forces from its soil. Whatever indigenous barriers to national reconciliation the Lebanese may face and however prepared they may be to overcome them if given a chance, that process can never really get underway so long as Lebanon remains occupied by foreign armies, foreign paramilitary forces, and foreign terrorist groups. The United States responded favorably to the request of the Lebanese Government—and of many of our Arab friends—to help Lebanon and Israel reach an agreement that would be a first step toward this objective. Israel was prepared to withdraw, and Lebanon was willing to negotiate an agreement that also met Israel's legitimate need for security on its northern border. After lengthy negotiations, and with a great deal of good will on both sides, Lebanon and Israel reached such an agreement on May 17.

In parallel with this effort, we put our weight behind President Gemayel's movement toward political accommodation among Lebanon's confessional communities. On August 31, President Gemayel, with his Council of Ministers, issued a call for key Lebanese leaders to join in a dialogue on a new national approach to reconciliation and unity. He

has made clear his willingness to broaden the base and composition of his government to reflect a true sharing of power. This is a policy we have strongly urged, supported, and assisted, and we have no doubt of President Gemayel's sincerity. Ambassadors Robert McFarlane [President's personal representative to the Middle East] and Richard Fairbanks [special negotiator for the Middle East peace process] have devoted considerable time and effort to this enterprise, as has Saudi Arabia as well.

The problem, of course, has been Syria. The two tracks of Lebanon's policy—foreign troop withdrawal and national reconciliation—have both been blocked by Syria, which has been heavily rearmed by the Soviet Union since Syria's defeats in battle last summer. No one questions Syria's legitimate security concerns with respect to Lebanon. But Syria, unlike Israel, has been unwilling to negotiate with Lebanon over how to reconcile its security concerns with Lebanon's sovereign right to follow its own path. The question arises whether Syria's aim is to assure its security or assure its domination of Lebanon.

- Syria now has the largest army in Lebanon, but it has refused to negotiate the withdrawal of its forces, reneging on repeated pledges that it would do so once the Israelis did. Syria has persisted in this course even in defiance of the Lebanese Government's formal requests at the beginning of September to Syria, the Palestine Liberation Organization (PLO), and the Arab League that all external force withdraw. Israel has stated its unwillingness to withdraw totally as long as Syrian forces are there; thus Syria is in the ironic position of keeping Israeli forces in Lebanon. Syria is also permitting the reentry of armed Palestinian groups into the Aleyh/Shuf area in violation of the agreements reached through Ambassador Habib's mediation last year.

- At the same time, Syria is using its leverage within Lebanon to obstruct the process of national reconciliation. Indeed, Syria has instigated political opposition within Lebanon and armed several factions engaged in military actions against the legitimate government.

Therefore, the immediate focus of our diplomacy, conducted by Ambassadors McFarlane and Fairbanks, is a cease-fire between the various groups in Lebanon. Saudi Arabia has been actively pursuing the same goal. Jordan,

Egypt, and other friendly Arab countries have been very supportive of these diplomatic efforts.

The outcome of this negotiation, as of any negotiation, will depend on the balance of forces. Those who seek to improve their position by force will probably not agree to a cease-fire until they run up against a stalemate on the battlefield.

This brings me to the military situation and to the role of the multinational force (MNF) now in Lebanon, which includes, as you know, approximately 1,200 U.S. Marines on the ground in the Beirut area.

The Multinational Force and the U.S. Marines

A year ago, President Reagan dispatched these Marines to participate in the multinational force requested by the Government of Lebanon. The presence of this force was designed to help ensure

Now the MNF is under challenge by those apparently determined to prevent an internal political accommodation. The President has augmented U.S. naval support forces offshore and has authorized U.S. forces to exercise their right of self-defense should attacks on them continue. Our MNF partners have taken similar or other measures to assure security and self-defense.

We are concerned that key strategic positions in the vicinity of Beirut, which are vital to the safety of our Marines, of other American military and diplomatic personnel, and to the security of Beirut, have recently come under attack. We have responded to these attacks in order to protect our personnel, and will continue to do so.

A cease-fire, as I have suggested, will come about only when all parties conclude it is in their interest. Our strategy in Lebanon is to help create conditions that will make it in everyone's interest—to help produce a kind of

Whatever indigenous barriers to national reconciliation the Lebanese may face and however prepared they may be to overcome them if given a chance, that process can never really get underway so long as Lebanon remains occupied by foreign armies, foreign paramilitary forces, and foreign terrorist groups.

the Lebanese Government's sovereignty and authority; it was also intended to further that government's efforts to assure the safety of people in the area and to end the violence that had tragically recurred in the massacres of Sabra and Shatila.

British, French, and Italian forces are serving alongside our Marines, and thus the MNF is a truly multilateral, cooperative effort. Its task is a peace-keeping mission, not a war-fighting mission. Its job is not to take sides in a war but, on the contrary, to help provide a sense of security for the legitimate Government of Lebanon as it pursues its national sovereignty and national unity. Most of the key confessional groups and friendly Arab countries supported this role for the MNF when it was sent to Lebanon, and they continue to support this role.

equilibrium which will encourage a cease-fire, a political accommodation, and ultimately the withdrawal of all foreign forces. We are seeking to build a structure of stability, on the following pillars.

- The first element is political negotiations to bring about national reconciliation within Lebanon, to ease or resolve the internal rivalries and mutual suspicions that are at the heart of Lebanon's agony. The United States has strongly supported this endeavor. We are also concerned for the safety of the Palestinian civilians in Lebanon.

- The second element is diplomacy to organize international support for the legitimate Government of Lebanon, for

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its efforts at reconciliation, and for a cease-fire. The United States is actively engaged in this effort.

- In the military dimension, the primary responsibility rests on the Lebanese Armed Forces, which have acquitted themselves well. We have helped train and equip these forces, and we are pleased that these forces have been reconstituted to take into account the confessional balance in Lebanon. An army that would be more than adequate for its mission of keeping order once foreign forces were removed, however, is now understandably under severe pressures because it is under assault by forces protected, armed, and encouraged by Syria. It is the external, non-Lebanese involvement that is enormously exacerbating the problem.

- Israel continues to have influence with many groups in Lebanon and has an interest in encouraging national reconciliation and stability. Events north of the Awwali River must be of concern to it, since its long-term security cannot but be affected by Syrian and PLO dominance of the rest of Lebanon.

- The MNF, including our Marines, provide an added measure of stability in the overall equation, as I have described.

Our Marines, or the MNF as a whole, cannot tip the balance of forces alone—and it is not their mission to do so. But their presence remains one crucial pillar of the structure of stability.

Syria now has the largest army in Lebanon, but it has refused to negotiate the withdrawal of its forces, reneging on repeated pledges that it would do so once the Israelis did . . . Israel has stated its unwillingness to withdraw totally as long as Syrian forces are there; thus Syria is in the ironic position of keeping Israeli forces in Lebanon.

As a former Marine—I have to say, there is no such thing as a former Marine—I will not allow anyone to cast doubt on how formidable even this small number of Marines can be. They are an important deterrent, a symbol of the international backing behind the legitimate Government of Lebanon, and an important weight in the scales. To remove the

Marines would put both the government, and what we are trying to achieve, in jeopardy.

This is why our domestic controversy over war powers has been disturbing. The uncertainty about the American commitment only weakens our effectiveness; doubts about our staying power can only cause the aggressors to discount our presence—or to intensify their attacks in hopes of hastening our departure. An accommodation between the President and Congress to resolve this dispute will help dispel those doubts about our staying power and strengthen our hand.

The executive and legislative branches, as you know, have important differences of principle with regard to the War Powers Resolution. The executive branch has traditionally had questions about the requirement of congressional authorization for presidential disposition of our Armed Forces, both in light of the President's Commander-in-Chief power and on practical grounds. Congress, of course, has had a different view. We could not expect to resolve this basic difference definitively now, but the Administration has been prepared to consider practical proposals that enabled us to protect our common, national interest in Lebanon without prejudging our respective positions on the basic issue of principle.

In this regard, we are gratified that

resolution not only supports our policies in Lebanon, but now enables us to advance our national interests on the solid bipartisan basis that has been the traditional hallmark of American foreign policy.

What Is at Stake in Lebanon

At stake in Lebanon are some basic principles of international law and international morality that have wider relevance for American foreign policy.

- At stake is a small country's right to decide for itself how to achieve its sovereign objectives, free from outside pressure, threat, or blackmail.

- At stake is the principle that international disputes should be settled by peaceful means, not by the use or threat of force.

At stake also are some concerns that affect our national interest and the security of our friends and allies. If American efforts for peaceful solutions are overwhelmed by brute force, our role is that much weakened everywhere. Friends who rely on us will be disheartened and will be that much less secure. Moderates in the Arab world, whom we are encouraging to take risks for peace, will feel it far less safe to do so. The Soviet Union's efforts to disrupt our diplomacy will have scored a victory; radical and rejectionist elements will be strengthened. The cause of peace and justice will have suffered a setback. Israel's security on its northern border will be weakened.

What we are doing in Lebanon is right. There are risks involved, but any important undertaking involves risks. If we want the role and influence of a great power, we have to accept the responsibilities of a great power. Many millions of people around the world look to us as the strongest defender of freedom, justice, and peace; we cannot walk away from responsibilities without paying a moral and a political price.

I prefer to look at it positively: after all the experience of the last 15 years, nothing would give more reassurance and hope to all our friends in the world than to see the President and Congress working in harmony, united behind a strong and purposeful national policy. This is our opportunity now. We cannot afford to let it slip away.

¹Press release 345. The complete transcript of the hearings will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Zimbabwe's Prime Minister Mugabe

Prime Minister Robert G. Mugabe of the Republic of Zimbabwe made an official working visit to Washington, D.C., September 12-14, 1983, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and Prime Minister Mugabe after their meeting on September 13.¹

President Reagan

It's been a great pleasure to have had the opportunity today to meet with Prime Minister Robert Mugabe of the Republic of Zimbabwe. As the first Prime Minister of Africa's newest independent state, his wise leadership has been a crucial factor in healing the wounds of civil war and developing a new nation with new opportunities. Our discussions today have concerned a wide range of topics, including our bilateral relationship and regional issues. We've spoken very frankly and in an atmosphere of mutual respect. We didn't always agree but have all gained much from hearing your views, Mr. Prime Minister.

I believe that our two countries will continue to cooperate on those areas where common concerns are shared and that we will come closer to an understanding on those issues where our views diverge. The United States and Zimbabwe have much in common. We both came to independence through a revolutionary process. We are both multiracial societies. And our constitutions offer protection to all our citizens, black and white, ensuring their political freedoms as well as their individual rights.

I'm glad to say that since Zimbabwe's independence, relations between Zimbabwe and the United States have been very good and, strengthened by this exchange of views, will become even better.

We look to Zimbabwe for leadership in southern Africa. Blessed with natural resources, a hard-working, multiracial population, and a spirit of national reconciliation, Zimbabwe can provide a firm foundation of economic viability



(White House photo by Michael Evans)

AFRICA

and political stability and serve as an inspiration in its part of the world.

Our talks today have confirmed that we also share a desire for peace and stability in southern Africa, and I know that we both look forward to a time when all countries there can achieve a level of amity which will allow them to work toward economic, social, and political development, free from the threat of attack from whatever quarter.

The ultimate responsibility for resolution of their problems, however, rests with the states of the regions themselves. And here you've taken a leading and constructive role. I know that you'll be meeting with a number of leaders in all walks of American life during your stay here in Washington and elsewhere in our land. I'm sure they will benefit as I have from your thoughtful views on our bilateral relationship as well as on regional and global issues.

I'm delighted that you accepted our invitation to visit Washington, and I look forward to meeting you again.

Prime Minister Mugabe

May I on behalf of my delegation, on behalf of the Government and people of Zimbabwe, express to you on this historic occasion of our visit—the first such by the head of government of the Republic of Zimbabwe—express to you our heartfelt thanks and appreciation for that support which the United States has given us all along the way. And this support starts, really, from the time we were still struggling for our independence, as the United States offered itself as party to the negotiations that were underway to bring about a democratic order in Zimbabwe.

We got pledges from your government, from your predecessors, that upon attainment of our independence, the United States would not be found wanting in extending to Zimbabwe that amount of aid the United States was capable of extending to it to enable the young state to attend to those problems created by the war which the young country would feel necessary to attend to.

And so here we are, a young state that yesterday was only a toddler but today is able to do a little more than it was able to do yesterday. And this is because of the amount of assistance—I think the United States contributes the largest amount toward our whole program of reconstruction and development. And that input into our own efforts has enabled us to create the necessary base for our socioeconomic transformation.

We have enjoyed excellent relations with your country. There has never been an occasion when we have had to complain to the United States on issues of bilateral relations falling in the political or diplomatic sphere. Yes, as you admit, there have been areas of difference. We are different on the modality of bringing about Namibia's independence, the linkage with the Cuban question. But generally we have looked at issues through the same glasses, one might say. And our posture regarding international situations of conflict has been identical. We both are opposed to interference in the domestic affairs of a country by another.

And I'm sure this identity of viewpoint makes for the greater friendship and solidarity that we find between our two countries and our two people. We have enjoyed every minute of our stay in your country. We continue our talks with leaders of your society. But I'm very happy that the discussions we've just had have dwelled on those issues which are of mutual interest to our two sides.

As you have said, we have discussed bilateral relations, the question of economic aid to Zimbabwe, the question of our original relations, and the fact that South Africa continues to destabilize our region. We have discussed Namibia, we have discussed the apartheid system in South Africa, and there is a greater measure of agreement. There might be some difference here and there in respect of the method of bringing about change, positive change to the area.

We are very happy, indeed, that this visit has taken place. And may I thank you and Vice President Bush, who visited us not long ago, for extending this invitation to me and enabling me, therefore, to come to this wonderful country with a wonderful people and a wonderful tradition and express to them the gratitude of the people of Zimbabwe.

We are a young country. We may make mistakes as we move forward, but we are prepared that where we err we shall correct ourselves and get back on course.

We don't intend to vitiate at all those principles which underlie the constitutional order that we have created. We are determined that a nonracial society shall exist in Zimbabwe and that racism, tribalism, regionalism, and whatever other "isms"—these are things of the past. What we would uphold as fundamental is that principle which binds us together and makes us one regardless of our race, color, or creed.

And these are matters on which the United States has long made a decision, matters of principle which make for greater democracy and greater freedom in society. We are prepared that this shall also be our tradition.

May I thank you for the kindness and hospitality which has been showered on me and my delegation since our arrival. We have come as friends; we go back as greater and closer friends still.

¹Made in the East Room at the White House (text from Weekly Compilation of Presidential Documents of Sept. 19, 1983). ■

U.S. Offers New START Initiatives

**PRESIDENT'S REMARKS,
OCT. 4, 1983¹**

Later today Ambassador Ed Rowny [Edward L. Rowny, head of the U.S. delegation to the strategic arms reduction talks (START)], and the other members of the START delegation will depart for Geneva for the opening of the fifth round of the strategic arms reduction talks. They will carry with them a new set of instructions.

From the first day of these negotiations, our highest goal has been to achieve a stable balance at reduced levels of nuclear arsenals. We want to reduce the weapons of war, pure and simple. All our efforts—in both the START and the INF [intermediate-range nuclear forces] negotiations—continue to be guided by that objective. Just this morning, I repeated this commitment to President Carstens of the Federal Republic of Germany. As I pledged to the United Nations, the United States will accept any equitable, verifiable agreement that stabilizes forces at lower levels than currently exist. We want significant reductions, and that pledge stands.

In the last round of negotiations, we proposed a number of new initiatives which were in harmony with the recommendations of the Presidential Commission on Strategic Forces and which provided additional flexibility to our negotiators. Those initiatives supported our basic goals, and they also responded to a number of Soviet concerns. I deeply regret that the Soviet Union has yet to give any significant response.

Throughout the negotiating process, it is the United States which has had to push, pull, probe, and prod in the effort to achieve any progress. The heartfelt desire shared by people everywhere for an historic agreement dramatically reducing nuclear weapons could and, indeed, will be achieved provided one condition changes—the Soviet Government must start negotiating in good faith.

Let me emphasize that the United States has gone the extra mile. We have removed the dividing line between the two phases of our original proposal. Everything is on the table. We are still most concerned about limits on the fast-flying, most dangerous systems. But we

are also prepared to negotiate limits on bomber and air-launched cruise missile limits below SALT II levels. We have shown great flexibility in dealing with the destructive capability of ballistic missiles, including their throw-weight. We have also relaxed our limits on the number of ballistic missiles. We have gone a very long way to address Soviet concerns, but the Soviets have yet to take their first meaningful step to address ours.

Particularly in the INF talks, but also in START, they have been stonewalling our proposals. When we proposed confidence-building measures that could be agreed to right now, they said, wait. Apparently they believe that time is on their side, that they can exploit one democracy against another, and that their uncompromising attitude and delay will ultimately win out. We will prove them wrong. The diversity of our democracies is a source of strength, not weakness. From free discussion among free people comes unity and commitment. The sooner this is understood,

the sooner we will reach an agreement in the interest of both sides.

We will continue to press Moscow for an equitable, fair, and verifiable agreement. When the START negotiations resume tomorrow, the U.S. delegation will again have substantial flexibility. Within the framework of the basic principles that have guided us through these negotiations, I am directing Ambassador Rowny to offer the following new initiatives.

- We are incorporating into START a series of build-down proposals. The United States will introduce a proposal for a mutual, guaranteed build-down designed to encourage stabilizing systems. The proposal will include specific provisions for building down ballistic missile warheads and concurrently for addressing a parallel build-down on bombers. To discuss these major new initiatives, we will also propose the establishment of a U.S.-Soviet "build-down" working group in the Geneva talks.

- On another front, and in our effort, again, to be absolutely as flexible as possible, we will be willing to explore ways to limit further the size and

NATO Supports U.S. Arms Control Initiative

**NORTH ATLANTIC COUNCIL
STATEMENT,
SEPT. 28, 1983**

At its meeting today, the North Atlantic Council discussed the U.S.-Soviet negotiations on intermediate-range nuclear forces (INF) and the new U.S. initiatives announced by the President of the United States in his speech to the UN General Assembly on 26th September. The Council warmly welcomed and strongly supported the efforts made by the United States to promote progress in the negotiations.

Like the interim solution announced in March, these latest initiatives taken by the United States are the result of intensive and continuing consultations among allies participating in the Special Consultative Group. They represent additional significant steps designed to move the INF negotiations toward

achievement of a balanced, equitable, and verifiable agreement before the end of the year and respond to concerns expressed by the Soviet Union. Allies concerned consider that these proposals are fully consistent with the criteria developed by NATO in the December 1979 two-track decision. It is incumbent upon the Soviet Union to consider this offer with the utmost seriousness and to respond constructively.

The allies hope that, in the near future, a verifiable agreement providing for equality between the United States and the Soviet Union can be reached in Geneva. In the absence of concrete results, deployments will proceed in accordance with the original schedule as foreseen in the 1979 decision.

The Greek delegation reiterated its position as explained in previous statements. ■

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capability of air-launched cruise missile forces in exchange for reciprocal Soviet flexibility on items of concern to us.

- We seek limits on the destructive capability of missiles and recognize that the Soviet Union would seek limits on bombers in exchange. There will have to be trade-offs and the United States is prepared to make them, so long as they result in a more stable balance of forces.

The Soviet Union should not doubt the bipartisan support for our efforts. During our review process, I looked for ways to broaden America's bipartisan approach to our overall arms control effort. We have consulted with many Members of the Congress and again with the commission headed by Brent Scowcroft. Their counsel has been invaluable, and I want to thank them for their tireless efforts and helpful advice. A solid, national bipartisan consensus, sustained from year to year and from Administration to Administration, is crucial if we are to keep America safe and secure and if we are to achieve successful arms reductions. Therefore, I have decided to take a number of new steps. Among these are to designate a member of the Scowcroft commission, James Woolsey, as a member at large to our START negotiations.

These actions reflect America's democratic process at its best. Ambassador Rowny, as you and your team depart for Geneva, you go with the certain knowledge that you are negotiating with the full support of the American people. Our bipartisan support is stronger than ever before. And you carry with you fair, equitable proposals—proposals that are in the interest of both nations and all humankind.

It is fitting today to repeat what I said last week: The door to an agreement is open. All the world is waiting for the Soviet Union to walk through. Should the Soviet leadership decide to join us now in our good-faith effort, the fifth round of these negotiations will be the one in which, finally, a breakthrough was made and finally the world began to breathe a bit easier.

¹Text from Weekly Compilation of Presidential Documents of Oct. 10, 1983. ■

Arms Control and European Public Opinion

Following is an exchange of letters between former Chancellor Bruno Kreisky of Austria and President Reagan.¹

MR. KREISKY'S LETTER

August 10, 1983

Dear Mr. President, When I retired from the Austrian government you wrote me a letter in a spirit of friendship which I highly appreciated. This spirit has encouraged me to turn to you with some of my reflections on the current situation about which I am deeply concerned.

Let me make it very clear that I am not interested in publicity. For three months now, I have refused almost all requests for interviews. You will know that in the democratic countries of Europe there are enormous differences in public opinion. But what I consider much more important is that people in these democracies have come to be divided by a deep gap over the armament issue. I am profoundly convinced of your sincere commitment to the idea of peace, but I should like to add that I am equally convinced that Mr. Andropov does not want war. Yet, the experience of a long political career tells me that such events may occur even against the will of leading personalities in powerful states. And I am afraid that something of the kind might happen some day.

The point in question are the Geneva talks for which a deadline has been set. I am not under the delusion that I can make any contribution to these talks, but I should like to urge you not to be guided by prestige thinking. If no results should be reached by the deadline you have set, do prolong the negotiating period for another few months, and reasonable people throughout the world will understand that you seek to get a result. There is no sense in upholding prestige while letting negotiations founder. Please consider that a prolongation may also induce the other party to continue negotiating; and if it is made, it will be by far easier to explain to people who is responsible for a failure to reach a mutually satisfactory solution.

My particular concern is young people's relationship to democracy, because they are the main force in the peace movement. I am quite simply afraid that democracy may be headed for a crisis similar to the one I lived through in my youth, and that such a crisis might generate developments none of us would welcome. Democratic order is a delicate structure which cannot be maintained by rough interference from the state's

law and order forces. What is at stake is the relationship of a major part of Europe's young generation to democracy, and I appeal to you, Mister President, to attribute just value to this stake. It will be of decisive and profound importance to the relations between our democracies, the European and the American one.

I belong to those who know what European democracy owes to American democracy. We are fully aware of the role played by the two big American parties. It is entirely up to the American people to choose their leaders, but the crucial point is solidarity between the democracies, which can only be strong, if democracy is deeply rooted in people's minds.

That is why I ask you to reconsider if you really wish to adhere to that deadline. It might involve the danger of turning it into a "dead line" other than the one implied by Anglo-Saxon usage.

I remain, Mister President, with kind regards,

Sincerely yours,

BRUNO KREISKY

PRESIDENT'S LETTER

September 12, 1983

Dear Mr. Kreisky: I appreciated your thoughtful letter concerning the impact of arms control questions on public opinion in Europe. Let me assure you that the points you raise are also of great concern to me. It is especially troublesome that NATO's dual-track decision is not clearly understood by young people in Europe, despite our constant efforts and those of our Allies to articulate and clarify it.

During your appearance before the National Press Club in Washington last February you stated clearly and succinctly the principle behind the Alliance decision. NATO did not, as you noted, decide to station new weapons in Europe on its own initiative. NATO's dual-track decision was necessitated by the rapid proliferation of Soviet nuclear forces, especially the intermediate-range SS-20. The introduction of this highly accurate and lethal missile system threatened to break the security link between the United States and our European Allies. This link has served as the underpinning of European stability for nearly four decades.

In response, the NATO Allies approved the deployment of new intermediate range weapons, while emphasizing their common determination to make every possible effort to limit or make these weapons unnecessary via negotiations with the Soviet Union. We also made it clear that if it proved impossible

to achieve a satisfactory arms agreement, we would take the steps necessary to protect our security by proceeding with the missile deployments. Let me underline that we set no deadline to the negotiations; only a small number of the total planned missiles will be deployed at the end of this year and we are prepared to continue negotiations thereafter. Let me stress as well that any missile that is deployed can always be withdrawn, if negotiations are eventually successful.

In this connection, I wish to reiterate that the United States adamantly opposes an arms race. There are certain facts that receive almost no publicity. For example, the United States has fewer nuclear warheads today than we had fifteen years ago. And over the last three years we withdrew unilaterally 1,000 nuclear weapons from Europe. Moreover, if we are forced to deploy INF missiles, we have agreed with our Allies that for every modern warhead introduced, an existing nuclear warhead will be withdrawn.

We are willing, in the interest of arms reductions, to consider every option. I reaffirmed this to Ambassador Nitze [Paul H. Nitze, head of the U.S. delegation to the intermediate-range nuclear forces negotiations] prior to his return to Geneva for the current round of negotiations, which we are earnestly pursuing, despite the Korean airline tragedy. But the USSR's approach to negotiating reductions has been disappointing, particularly in that the Soviets have continuously refused to acknowledge the security interest of the nations on their periphery.

As you will recall, Moscow initially refused to negotiate at all. It was NATO's modernization decision that brought the Soviets to the negotiating table. Since commencement of the Geneva talks in 1981 the Soviet Union, however, has refused to move from its insistence on maintaining a missile monopoly despite flexible proposals we tabled aimed at stimulating progress. Our negotiating positions, which have been developed through extremely close cooperation with our NATO Allies, insist only on U.S.-Soviet equality, a principle that the Soviet Union has so far refused to honor. When the Soviets made plain their opposition to the zero option, we proposed parity at the lowest possible level. The Soviets have said this is equally unacceptable. It is Soviet intransigence that is blocking progress.

While I know that some young people are opposed to the prospect of new weapons deployments, there are much larger numbers who support our determination to maintain the common defense. If, as you say, we will disappoint many of our citizens by beginning deployments on schedule, how many more will be affected if we go back on our joint decision and postpone implementation of the dual-track decision? A delay in our deployments would only encourage the Soviets to believe that NATO's resolve was

faltering and that they could stretch our negotiations endlessly without addressing our legitimate security concerns.

I wholeheartedly agree with your point that solidarity among the democracies is our objective, a bond that can only be strong when it is deeply rooted in people's minds. What a striking contrast presented to us by the Soviet example, where the leadership can commit such a horrible deed as the destruction of the KAL civilian airliner and not feel compelled to answer to its people. The Soviet Union openly professes its desire to impose its totalitarian system throughout the world, an objective we can repulse by maintaining our common defense and resolutely promoting our democratic ideals.

I do not believe that the relationship of European youth to their democratic systems is as tenuous as you suggest. In my travels, I have seen strong evidence that young people in both Europe and the United States, and elsewhere respect both the responsibilities as well as the privileges of democracy. Our joint task is to demonstrate to them, through both words and deeds, the meaning and continued validity of Western principles. Securing the common defense is one of the most important of these responsibilities.

I assure you that I am deeply committed to seeking every possibility for peace, in Europe and throughout the world. I know that I can count on you and other leaders to help Europe's young people find their way among the difficult choices facing them today.

With warm personal regards.
Sincerely,

RONALD REAGAN

¹Released by the Office of the White House Press Secretary on Sept. 16, 1983 (texts from Weekly Compilation of Presidential Documents of Sept. 19). ■

INF Negotiations

WHITE HOUSE STATEMENT, Sept. 12, 1983¹

The United States is constantly reviewing the progress of the negotiations to see how best to move the talks forward, and we are continuing intensive consultations with our allies on the INF [intermediate-range nuclear forces] talks. The sixth round of these talks has just begun, and the United States is engaged in serious negotiating efforts to obtain an agreement that meets alliance security concerns. Both sides are bound to respect the confidentiality of the negotiations. Press speculation about the substance of the talks is not helpful.

As in the previous round, U.S. negotiators have great flexibility to consider any serious Soviet proposal according to criteria set forth by the President earlier this year. These five criteria remain the basis of our position: equal rights and limits for the United States and U.S.S.R., no compensation for third country systems, global limits with no shifting of the threat from Europe to Asia, no adverse effect on NATO's conventional deterrent, and effective measures to ensure verifiability.

We and the allies remain convinced that the best long-term results of the negotiations would be the elimination of all land-based U.S. and Soviet LRINF [longer range intermediate-range nuclear forces] missiles and that as long as the Soviets remain unwilling to accept this outcome, the President's interim agreement proposal provides a flexible framework for progress.

PRESIDENT'S STATEMENT, SEPT. 21, 1983²

One of my first decisions in the aftermath of the tragic shooting down of Korean Air Lines Flight 007 was that the United States must continue its efforts in the interest of peace to pursue equitable and verifiable arms control agreements with the Soviet Union.

On September 3, I met with Ambassador Nitze [Paul H. Nitze, head of the U.S. delegation to the INF negotiations] to discuss the INF negotiations in

Geneva and to reaffirm my commitment to seeking a successful result in those talks.

Since then, the United States has held extensive consultations with our NATO allies and Japan regarding the U.S. position in the talks. These consultations have included both direct correspondence between myself and allied leaders, meetings of the NATO Special Consultative Group, and bilateral consultations with the Japanese.

In those consultations, suggestions for U.S. initiatives to move the negotiations forward were offered. These suggestions were welcomed by allied leaders, who reaffirmed their strong support for the U.S. negotiating effort. Our NATO allies also reaffirmed their commitment to the NATO double-track decision.

Based on the results of these consultations, Ambassador Nitze has received new instructions to pursue these U.S. initiatives with the Soviet negotiators in Geneva. These initiatives represent significant further development of the U.S. proposal for an interim agreement which the U.S. put forward last March. They address a number of Soviet concerns.

The U.S. action in taking these additional steps is further demonstration of U.S. commitment, and that of our allies, to achieving a positive outcome in the Geneva talks.

We call on the Soviet Union to respond in a constructive manner to these proposals, so that the Geneva negotiations can arrive at a positive result.

¹Text from Weekly Compilation of Presidential Documents of Sept. 19, 1983.

²Read to reporters on the President's behalf by principal deputy press secretary Larry Speakes (text from Weekly Compilation of Presidential Documents of Sept. 26). ■

U.S.-Philippine Relations After the Aquino Assassination

by John C. Monjo

Statement before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee on September 13, 1983. Mr. Monjo is Deputy Assistant Secretary for East Asian and Pacific Affairs.¹

I am pleased to address today the situation in the Philippines and the state of U.S.-Philippine relations following the assassination of Senator and opposition leader Benigno S. Aquino, Jr., in Manila on August 21 which has shocked the American people as it has Filipinos of all political persuasions.

I intend to cover today the assassination and its impact on public opinion, the investigation, U.S. policy in the wake of the assassination, the President's planned visit to the Philippines in November, the stability of the Marcos government, the U.S. military facilities, and the economic situation.

The Bilateral Relationship

No discussion of the Philippines and U.S.-Philippine relations can begin without reference to the unique, long-term bilateral relationship of our two countries. It is vital that we underline the need for a policy that looks to the long term in our relationship. Close ties between the United States and the Philippines go back to the turn of the century, and those ties include the shared suffering of World War II as well as that exhilarating moment of Philippine independence on July 4, 1946. Strong bilateral economic relations that still exist are a key element—the United States is still both the primary source of foreign investment in the Philippines and the largest market for Philippine goods. Both the U.S. Government and the private sector have played an important role in the economic development of the Philippines.

Perhaps because of our shared history, the United States and the Philippines have tended to view international security and political problems and issues in much the same way. In good times and bad, the Philippines has often stood by our side. A key element

in our bilateral relationship has been our common interest in security and regional stability, as manifested in our 1947 Military Bases Agreement, our 1952 Mutual Defense Treaty, and continuing close cooperation in defense and security matters. Just recently we rapidly and amicably concluded a review of our Military Base Agreement. The two military facilities in the Philippines fulfill a vital function in maintaining regional security and stability—a role that has been noted positively by virtually all of the countries of East Asia—and that stability in turn contributes to the remarkable economic growth of the entire area.

Another essential element of the relationship, of course, is people—those American teachers and government officials who introduced English and new institutions in the early days, the comrades in arms in World War II, those members of Philippine Governments from President Roxas to President Marcos with whom a series of U.S. Administrations—both Republican and Democrat—have dealt amicably and productively over the years, the 1 million or so Filipino-Americans and Filipinos who live in the United States today and enrich our culture and society. Until last August, that number included Senator Benigno Aquino, who 3 years earlier was released from a Philippine military prison for a heart operation in the United States, and his family.

The Assassination

The Aquino assassination has rocked the Philippines. It was a tragic event that has beclouded the reputation of the Philippine Government. Many Filipinos, and not all of them opposed to the current government, suspect the complicity of elements of the government in the crime. It raises very disturbing questions that demand answers. It puts into grave doubt the competence of the airport security forces, who themselves are suspect of at best gross negligence in their duties. We do not have the answers to those questions yet. As we have stated, we look to the Government of the Philippines to provide them.

This is a matter, first and foremost, that concerns the Philippine Government and the Philippine people. But the U.S. Government has made clear to the Government of the Philippines, both publicly and privately, that, in view of our close relationship, the United States also has and continues to have the deepest concern over the assassination of Senator Aquino. We fully expect the Philippine Government to act swiftly and vigorously to track down the perpetrators of this crime, as President Marcos promised in his statement on the day of the murder.

At this point, we still know very little about the assassination that is not already a matter of public record. Not enough evidence has yet been found to substantiate or to rule out any of the several possible explanations which have been mentioned so far. The circumstances of the murder and the identity of the alleged assassin, whom the Philippine Government describes as "a notorious killer, a gun for hire," make us doubt that one man alone could have been responsible for this clearly political assassination.

The Investigation

The United States welcomed the idea of naming a high-level panel to investigate the assassination. The members of the commission as it is presently constituted, headed by the current Chief Justice, are former members of the Philippine Supreme Court. Opposition leaders and others have expressed concern that certain of the members are too closely identified with the government.

Despite the international interest in the investigation, it will necessarily be a domestic Philippine matter which the Philippine authorities must carry out to its conclusion. The commission, of course, must be judged ultimately by its work. It is clearly too early now to make any judgments when the investigation has barely begun.

U.S. participation in the investigation has been limited to the FBI providing, in response to a Philippine request, technical assistance in tracing the alleged murder weapon and in a fingerprint check. For our part, we have not offered any other assistance.

The Assassination and U.S. Policy

In the public statement issued on the day of the assassination, the U.S. Government went on record in denouncing the assassination as a "cowardly and

despicable act which the United States Government condemns in the strongest terms." We stated that "the United States Government trusts that the Government of the Philippines will swiftly and vigorously track down the perpetrators of this political assassination, bring them to justice, and punish them to the fullest extent of the law." We also expressed our condolences to Senator Aquino's wife and children and to his family, friends, and supporters in the Philippines. Ambassador Armacost represented the United States at the funeral.

The United States is following the investigation of the Philippine authorities closely. We have asked the Philippine Government to keep us informed as the investigation, which has just begun, develops. The Government of the Philippines is fully aware of our interest. To supplement our public statement, we have privately told senior officials of the Philippine Government of our strong concern that the investigation be thorough and impartial. The Philippine Government has reacted positively to this expression of U.S. interest.

Other aspects of our bilateral relationship are continuing. There are several economic and trade problems that need attention. We are also moving ahead with the Philippine Government to implement provisions of our recently concluded review of the Military Bases Agreement.

The Aquino assassination does not appear to have changed pre-existing Philippine attitudes about the U.S. military presence in the Philippines or about our economic and security assistance programs. There were no anti-American manifestations during the funeral or when hundreds of thousands of mourners accompanied the Aquino cortege right past the U.S. Embassy. Our embassy in Manila is also in touch with broad elements of the Philippine body politic in an effort to keep abreast of developments and to make our views known.

Following the assassination, much media attention has been directed to the President's planned visit to the Philip-

pinas, a stop on his trip to East Asia, this November. The White House responds to all questions about the President's travel. What I can say to you at this time is that there are no current plans to change the President's announced itinerary. Naturally any new developments would be carefully weighed.

Stability and Elections

With the assassination of Senator Aquino, the opposition has lost its most charismatic leader. Senator Aquino had hoped to return home to persuade the Marcos government and his fellow members of the opposition to find electoral solutions to the Philippines' political problems. Now that Senator Aquino is gone, the leaders of the moderate opposition must decide what they will do. The Marcos government, for its part, will also have to decide on how to deal with the new political situation as it prepares for the 1984 parliamentary election.

We cannot foretell how the political events will play out. For our part, we hope that both the government and the moderate opposition will deal with this new political reality in a way that contributes to political stability, the strengthening of democratic institutions, and respect for human rights. In this regard it is more important than ever that the May 1984 parliamentary election be one in which the legitimate opposition will have a free and fair opportunity to participate. If the ground rules for the election permit the legitimate opposition to participate, then it could be the most significant electoral exercise in the Philippines since the declaration of martial law in 1972.

Elections widely seen as fair and equitable can contribute significantly to stability and the avoidance of political polarization. It is no accident that the communists, and their armed force, the New People's Army, do not want such elections, just as they are the ones who gain the most from the political turmoil caused by the Aquino assassination. Some moderate members of the opposition, frustrated by the murder, could become more willing to throw in their political lot with the extreme left in their desire to bring about political change. The manner in which the Philippine Government and the moderate opposition leaders ultimately respond to the new political reality and, in particular,

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how they will deal with the 1984 election will go a long way toward determining whether political polarization will, in fact, take place.

U.S. Military Facilities and Philippine Politics

Over the years, the presence of U.S. military facilities and how best to deal with the United States on bases issues have been an integral part of Philippine political life. Some Philippine nationalists have traditionally viewed the bases as remnants of the colonial past. Others have taken ambivalent stands on the bases, which, with the Mutual Defense Treaty, have constituted the country's guarantee against foreign attack since independence in 1946. All administrations in the Philippines have favored the presence of the bases, while their political opponents have tended to be critical of the incumbent's handling of the bases issue.

We fully understand that our vital military facilities in the Philippines—as such facilities in other countries—cannot be effectively operated without at least the tacit support of the host government and the host peoples. Fortunately, we believe that the U.S. facilities continue to enjoy substantial support in the Philippines and, indeed, throughout the East Asia region.

The Administration intends to continue with its plans to ask the Congress for the security assistance it pledged to seek in connection with this year's Military Bases Agreement review. We believe the agreement reflects U.S. and Philippine interests.

The Philippine Economy

My statement would not be complete without some comments on the Philippine economy, which has also received considerable attention lately. In the decade of the 1970s, the Philippine economy, under the guidance of an able team of technocrats backed by President Marcos, made solid, if not spectacular, strides, with growth rates averaging 6%. Then in this decade, growth dropped off sharply, largely as a result of the worldwide recession which reduced the demand for the country's traditional exports. Most recently, with the upturn in the world economy, there have been some favorable developments, including higher prices for Philippine products, which should help in efforts to overcome the Philippines' balance-of-payments problems. The Philippine Government has been willing to take some tough measures. Moreover, the 1984 parliamentary elections, provided

they have the hoped for political stabilizing effect, should significantly support investor confidence in the Philippines.

The Aquino assassination had initially led to concerns about possible adverse effects on the economy. However, we have not seen indications that this event has seriously affected lending and investing attitudes. In any event, the medium- and long-term outlook is favorable because the underlying factors such as the availability of trained and capable manpower, resources, and geographic location remain conducive to growth and development.

Conclusion

Benigno Aquino's murder is a tragedy for the Philippines. Filipino political leaders in both the government and the opposition recognize the gravity of their political problems. How they work out their differences is, of course, their responsibility. We continue to believe that a free and fair electoral process in which Filipinos can place their confidence is the key to the resolution of the political problems left in the wake of the Aquino assassination. We trust that all the responsible political leaders of the Philippines share this view.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Kampuchea After 5 Years of Vietnamese Occupation

by John C. Monjo

Statement before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee on September 15, 1983. Mr. Monjo is Deputy Assistant Secretary for East Asian and Pacific Affairs.¹

I am pleased to have the opportunity to appear before this subcommittee to review the situation in Kampuchea after 5 years of Vietnamese occupation. Since 1975 the Khmer people have suffered immeasurably, first from the brutal efforts of the Pol Pot regime to completely restructure Khmer society and, since 1978, from invasion and occupation by their stronger neighbor, Vietnam. I welcome this chance to review recent developments in Kampuchea.

It has been almost a year since this Administration last discussed Kampuchea before this committee. In the past year, the strategy by the Association of South East Asian Nations (ASEAN) for a political settlement—which the United States strongly supports—has succeeded in further isolating Vietnam because of Hanoi's occupation of Kampuchea. This is particularly evident in increased voting at the United Nations against Vietnam's occupation but also in opportunities Hanoi has lost in aid and trade with the great majority of nations which condemn its Kampuchean policies.

Inside Kampuchea, Vietnamese occupying forces have long since worn out their welcome.

- There is increased hostility to the occupation, especially as the Vietnamese increase their treatment of Kampuchea as a colony.

- Resistance to Hanoi's occupation has increased noticeably during the current wet season. In response, the Vietnamese in some areas have cracked down on local officials and the armed forces of the Heng Samrin regime.

- Heightened repression by the Vietnamese has caused large numbers of Khmer to flee to the Thai-Kampuchea border.

Despite international condemnation and the opposition of the Khmer people,

Vietnam's occupation of Kampuchea continues, with no end in sight. Hanoi's offers to talk avoid the underlying issues, and its claims of partial troop withdrawals are false. Hanoi refuses to address the widely accepted framework for a settlement set forth in the declaration of the International Conference on Kampuchea. Hanoi's intention to avoid a political settlement and continue with a military solution has been nowhere more evident than during the past dry season when its forces repeatedly launched brutal assaults against Khmer civilian refugee settlements along the Thai-Kampuchean border.

Increased Hostility to the Occupation

During this past dry season in Indochina, Vietnam continued its efforts to destroy the anti-Vietnamese resistance forces and consolidate its hold on Kampuchea. Beginning in late January 1983, the Vietnamese Army launched a series of attacks against resistance positions and civilian encampments along the Thai-Kampuchean border. These attacks, backed by armor and heavy artillery, overran several of the border encampments, forcing more than 85,000 Khmer civilians to seek refuge elsewhere. In early April, Vietnamese units entered Thai territory in force, prompting the Royal Thai Air Force to launch air strikes against Vietnamese troops. These wanton attacks against civilian encampments, and the disregard they show for Thai territory, are indications that Vietnam has not changed its policy of seeking a military solution to the problem of Kampuchea.

Recent intelligence has enabled us to refine our estimate of Vietnamese troop strength in Kampuchea to 150,000–170,000 men, a large portion of them concentrated near the Thai-Kampuchean border. This changed estimate reflects only more precise information now available to us, not any change in Vietnamese strength. In May 1983, Hanoi announced a second partial troop withdrawal and said that the Cuu Long, or Fourth Corps, with 10,000 troops would return to Vietnam. Foreign journalists invited to Kampuchea for the event observed 2,000–3,000 Vietnamese troops

leaving the country. Some headquarters units were, indeed, withdrawn, but there is no indication of a reduction in Vietnamese strength in Kampuchea. More new personnel have been joining units near the Thai border than have departed, and the Vietnamese Army appears to have been reorganized to increase its combat power near the border. There is no indication of a genuine withdrawal. In fact, our information indicates that this was simply a troop rotation and unit reorganization exercise.

The Heng Samrin regime's own army is weak and ineffective. Widespread conscription has brought its strength to 20,000–30,000 men, but morale is low and desertion a widespread problem. Even the main force units are considered unreliable by the Vietnamese while some local militia are apparently suspected by the Vietnamese of collaborating with the resistance.

The Vietnamese, however, have been unable to eliminate the resistance threat and face the prospect of protracted conflict. The resistance forces have grown in strength and capability. The Khmer Rouge maintain more than 30,000 troops and are apparently able to conduct operations over a large area of the country. The Khmer People's National Liberation Front (KPNLF) has increased its strength and has become a more effective combat force. It has reorganized its command structure to pursue a more vigorous guerrilla war. The KPNLF has 12,000 armed troops and some 6,000 more troops awaiting equipment. The pro-Sihanouk forces number approximately 5,000 men. Shortages of equipment continue to limit the effectiveness of the noncommunist forces.

The resistance forces—both Khmer Rouge and noncommunist—have been more active this wet season than in the past. Attacks and ambushes along the roads and the railroad between Phnom Penh and western Kampuchea have been more frequent. The Vietnamese Army appears to be facing greater difficulty in supplying its forces near the border.

We do not see any prospect of the Vietnamese destroying the resistance forces. The resistance does not pose a serious military threat to Vietnam's hold on the main population centers, but it is a problem for Hanoi and prevents the Vietnamese-installed regime from consolidating its control of the country.

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Internal Situation

Within Kampuchea, there has been some improvement in the domestic economy. The food situation is better than in past years, and there is a prospect of self-sufficiency in rice. The requirements for international relief assistance have already fallen significantly and should continue to fall in the future. The rains this year, however, have been late and below normal. We are watching the situation carefully in cooperation with the UN Secretary General's Special Representative for Khmer Relief.

Politically, Vietnamese efforts to establish the legitimacy of the Heng Samrin regime have made little progress. The regime is dependent on Vietnamese advisers down to the provincial level, and all major policy decisions are made on sufferance of the Vietnamese. Often they seem to serve Vietnam's interests at the expense of Kampuchea's. Hanoi and Phnom Penh recently announced an agreement on delimiting their common border, which abandoned the position held by every Kampuchean Government since independence, and accepted the Vietnamese view of the border's true location. The regime has gained, at best, only the tacit acquiescence of the Khmer.

Hanoi is concerned about the reliability of the Heng Samrin regime's civilian administration and the general population. In May and June, the Vietnamese arrested a number of regime officials on suspicion of sympathizing with the resistance. Vietnamese military units have also carried out pacification campaigns in the countryside directed at villagers believed to support the resistance. The brutal excesses of these campaigns have driven several thousand Khmer to flee to the Thai-Kampuchean border in search of refuge, joining the more than 200,000 already in border encampments.

Interviews with refugees fleeing Kampuchea indicate that anti-Vietnamese sentiment and support for the resistance is on the rise. The Khmer Rouge are still widely remembered and hated for their bloody excesses while in power. The Vietnamese and the Heng Samrin regime have used this fear to control the country but Khmer nationalism is reasserting itself. Conscription, forced labor, a fear of the sometimes undisciplined behavior of Vietnamese troops, and increasing suspicion

of Vietnam's long-term intentions have all contributed to the increasing resentment of the Vietnamese. Moreover, the senior levels of Heng Samrin's regime are heavily composed of former Khmer Rouge officers, including Heng Samrin, who broke with Pol Pot before the Vietnamese invasion of Kampuchea but who share responsibility for the Khmer Rouge regime's horrifying record of atrocities. The formation of the coalition last year, the reemergence of Prince Sihanouk, and the leadership also provided by Son Sann have given the Khmer renewed hope of an eventual choice other than the Khmer Rouge or a government controlled by the Vietnamese.

The recent influx of Vietnamese settlers into Kampuchea will further contribute to popular disaffection. Estimates of the number of Vietnamese immigrants range from the official Phnom Penh figure of 40,000 to an improbable 1.2 million. We believe that the true number may lie in the 150,000-200,000 range. There were some 500,000 ethnic Vietnamese in Kampuchea before 1970. Most fled between

1970 and 1979. Some of the Vietnamese settlers are undoubtedly returning residents. As many as a third, however, are new immigrants. When combined with Vietnamese-imposed changes to Kampuchean administration and Khmer society, this officially sponsored Vietnamese immigration raises serious questions about Hanoi's long-term intentions toward Kampuchea.

Regional Concerns

The ASEAN members—the countries in the region most threatened by Vietnamese aggression in Kampuchea—seek a political settlement to the problem of Kampuchea based on the complete withdrawal of Vietnamese troops and the establishment of a neutral, independent Kampuchea through internationally supervised elections. These principles were adopted by a majority of the world's nations in the declaration of the UN-sponsored International Conference on Kampuchea. Increasing majorities have passed resolutions incorporating the conference formula at every UN General Assembly since 1979. ASEAN's

Situation in Kampuchea

WHITE HOUSE STATEMENT, SEPT. 22, 1983¹

The United States supports ASEAN's [Association of South East Asian Nations] efforts to achieve a comprehensive political settlement of the problem in Kampuchea based on the complete withdrawal of Vietnamese forces and internationally supervised elections. These principles have been adopted by the great majority of the world's nations in the declaration of U.N.-sponsored International Conference on Kampuchea and successive resolutions of the UN General Assembly.

The Khmer resistance coalition is an important element of ASEAN's strategy. The United States was not directly involved in the coalition's formations, but we have welcomed it as a vehicle formed to achieve a political settlement in Kampuchea. We give moral, diplomatic, and political support to the coalition's noncommunist elements, led by Prince Sihanouk and former Prime Minister Son Sann. We provide no assistance to and have no contact with the Khmer Rouge.

Last year Prince Sihanouk and Son Sann met with Vice President Bush in Washington during the UN General Assembly. The President will meet with Prince Sihanouk and Mr. Son Sann, not as representatives of the Government of Democratic Kampuchea, which we have never recognized, but as respected Khmer nationalists and leaders of non-communist groups struggling to free their country from Vietnamese occupation.

The President will reaffirm our opposition to the Vietnamese occupation of Kampuchea and our support for ASEAN's efforts to achieve a settlement which will restore Kampuchea's independence. He will also seek their views on the present situation in Kampuchea and prospects for the current UN General Assembly. We have no plans to provide military assistance to the coalition or any of its members.

¹Made to reporters by the principal deputy press secretary to the President Larry Speakes (text from Weekly Compilation of Presidential Documents of Sept. 26, 1983). ■

strategy includes applying political, diplomatic, and economic pressures on Vietnam to persuade Hanoi that a political settlement is in its own interests.

Support for ASEAN and its approach to the Kampuchean problem is the cornerstone of U.S. policy in South-east Asia. We share ASEAN's objective of a comprehensive political settlement and work with ASEAN to achieve the objectives of the Kampuchea conference declaration. We share ASEAN's belief that only a peaceful solution to the problem in Kampuchea can address the concerns and interests of all the parties involved.

Internationally, Vietnam remains isolated because of its conduct in Kampuchea. The majority of nonaligned nations have joined ASEAN, Western Europe, Japan, and the United States in condemning Vietnam's aggression which is in violation of international law and the UN Charter. Hanoi's only support comes from the U.S.S.R. and Soviet allies. The Soviet Union provides Vietnam with military and economic aid exceeding \$1 billion annually. This aid supports Vietnam's war effort in Kampuchea and keeps the Vietnamese economy functioning at a minimal level but is insufficient to allow Hanoi to reconstruct and develop the country. Moscow has been able to trade on this support to obtain access to Vietnamese air and naval facilities, notably the former U.S. base at Cam Ranh Bay. We and ASEAN are concerned at this increasing Soviet presence in Southeast Asia. Some argue we should soften our stance toward Vietnam to give it an alternative to the Soviets. However, it is not the policies of ASEAN or the United States which isolate Vietnam and leave it dependent on the Soviet Union. It is Hanoi's own policy of invading and occupying a neighbor which leave it without friends outside the Soviet camp. Only a change in those policies will allow Hanoi to expand its contacts with the rest of the world.

Coalition Government

In 1982, with encouragement from the ASEAN nations, the Coalition Government of Democratic Kampuchea was formed. It broadened the Democratic Kampuchea regime into a coalition joining noncommunist factions led by respected Khmer nationalists Prince Sihanouk and former Prime Minister

Son Sann with the Khmer Rouge to oppose the Vietnamese occupation of Kampuchea. These groups retain their own political identities and military autonomy but are pledged to work together to seek implementation of the international conference's Declaration on Kampuchea.

The United States was not directly involved in the coalition's formation. We, nevertheless, welcomed it as a step in the process of achieving a settlement in Kampuchea. The United States continues to give diplomatic and political support to the noncommunist elements in the coalition. We welcomed Prince Sihanouk and Mr. Son Sann to Washington last year during the UN General Assembly. They met the Secretary of State in New York and the Vice President here in Washington. We are pleased that Son Sann is in Washington again and that he will be meeting with the Secretary this afternoon. We look forward to continuing our contacts with Prince Sihanouk during his upcoming visit to the United States. We will continue our political and humanitarian support for the coalition, but we do not plan to offer military aid to the coalition or any of its members. We do not provide aid of any kind or have any contact with the Khmer Rouge, and our welcoming of the coalition does not imply any support for the Khmer Rouge.

The coalition has greatly enhanced international support for ASEAN's strategy on Kampuchea. Last year at the UN General Assembly, the ASEAN-sponsored resolution calling for the withdrawal of all foreign forces and internationally supervised elections was adopted by 105 votes to 29. The United States joined the majority which included most nonaligned nations. We believe that ASEAN is again in a strong position to manage the Kampuchean debate in New York, and we will work with ASEAN to support moves designed to achieve a settlement.

UN Credentials

At every General Assembly since 1979, the Vietnamese or their supporters have challenged the credentials of the Democratic Kampuchean delegation. Hanoi's ultimate objective is to seat its client Heng Samrin regime. In each case, the challenge has been defeated easily through the efforts of the ASEAN governments supported by much of

Western Europe and the nonaligned world, the United States, and Japan. The United States will again support ASEAN's position in favor of continuing to accredit the Democratic Kampuchean delegation.

Our stand remains based on the technical ground that Democratic Kampuchea has been accepted as a member of the United Nations since its assumption of power in 1975. Having accepted Democratic Kampuchea, the United Nations can withdraw those credentials only if there is a superior claimant to the seat. There is no superior claimant to the Kampuchean seat. The Heng Samrin regime is certainly not a superior claimant. It was installed in Phnom Penh and is maintained there solely by the force of Vietnamese arms. Seating representatives of the Heng Samrin regime would indicate international acceptance of a government imposed by a foreign aggressor in violation of the UN Charter and in defiance of the General Assembly. U.S. support for Democratic Kampuchea's UN credentials does not imply recognition of Democratic Kampuchea or support for the Khmer Rouge, whose gross misrule and atrocities we continue to abhor.

The Future

We see no prospects for an early settlement of the problem of Kampuchea. Vietnam has made tactical moves in an effort to appear flexible but remains intransigent on the key issues. Hanoi's proposals for regional talks have sought to gain acceptance of Vietnam's position in Kampuchea and recognition for the regime installed by Hanoi in Phnom Penh. In addition, Vietnam has sought to project itself as spokesman for the Indochina bloc. All of these moves are designed to support Hanoi's objective of an Indochina dominated by Vietnam and subservient to its interests. Ultimately, Hanoi seeks to establish an Indochinese federation. Vietnam has turned aside all ASEAN proposals, including an ASEAN offer to meet the Vietnamese in Hanoi if Vietnam withdrew its forces in Kampuchea 30 kilometers from the Thai border.

Hanoi continues to deny, in fact, that there is a Kampuchean problem. ASEAN's legitimate security concerns are dismissed as border issues amenable to resolution through bloc-to-bloc talks

between ASEAN and the Indochinese states. Such an approach is designed to draw ASEAN into open-ended talks about peace and security in Southeast Asia, talks which would serve to grant implicit recognition to the Heng Samrin regime. Hanoi continues to reject the UN Kampuchea conference principles, which are supported by a large majority of the world's nations. Such an approach ignores the fundamental cause of instability in Southeast Asia—Vietnam's occupation of Kampuchea.

We can expect to see more tactical moves by Vietnam, but so far we have not seen any genuine willingness on Vietnam's part to seek a settlement in Kampuchea which would restore Khmer self-determination. We, like ASEAN, remain convinced that a political settlement will be possible only once Vietnam realizes the disastrous results its policies have produced. Only a change in Hanoi's policy will reconcile Vietnam's interests with those of its neighbors and bring peace to the region. Until then the international community must continue to maintain the pressure on Vietnam.

The view from Hanoi, then, cannot be encouraging. Vietnam faces a long-term struggle in Kampuchea. Its client regime is a failure, and popular dissatisfaction is rising at Vietnam's treatment of Kampuchea as a colony. The Vietnamese economy is suffering from mismanagement and the burden of a foreign war. Hanoi is at odds with its most powerful neighbor, China, and with the nations of ASEAN. It is isolated internationally and almost wholly dependent on Soviet support and assistance. Only a settlement of the problem in Kampuchea which allows that unhappy country to finally chart its own course is consistent with Vietnam's own long-term interests.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

International Investment Policy

PRESIDENT'S STATEMENT, SEPT. 9, 1983¹

I am releasing a major statement on international investment. This statement was developed by my Senior Interdepartmental Group on International Economic Policy, chaired by Treasury Secretary Regan, and encompasses the views of this Administration on international investment.

The last time such a policy paper was released was in July of 1977—more than 6 years ago. Since then, we have come to view international investment which responds to market forces as a vital and necessary ingredient in a stable, growing world economy.

A world with strong foreign investment flows is the opposite of a zero-sum game. We believe there are only winners, no losers, and all participants gain from it.

International investment flows significantly affect the United States and world economies. With the current environment of widespread international debt problems, foreign direct investment flows take on increased importance. As the preeminent home and host country for foreign direct investment, we have a substantial interest in the conditions under which those flows occur.

The statement I am releasing enunciates the fundamental premise of our policy—that foreign investment flows which respond to private market forces will lead to more efficient international production and thereby benefit both home and host countries.

It also highlights three other important points: first, our concern with the increasing use of governmental measures to distort or impede international investment flows; secondly, our strong support for the concept of national treatment which extends to foreign direct investors in the United States; and finally, an enumeration of specific multilateral and bilateral steps the Administration has taken, and will take, to help liberalize international investment flows.

A free and open international investment climate will play a key role not only in sustaining our own economic

recovery here at home but also in resolving many of the current international debt problems.

INTERNATIONAL INVESTMENT POLICY STATEMENT¹

Executive Summary

International direct investment plays a vital and expanding role in the world economy. To ensure its maximum contribution to both global and domestic economic well-being, the United States believes that international direct investment flows should be determined by private market forces and should receive non-discriminatory treatment consistent with the national treatment principle.

The United States welcomes foreign direct investment that flows according to market forces. The United States accords foreign investors the same fair, equitable, and non-discriminatory treatment it believes all governments should accord foreign direct investment under international law.

The United States opposes continued and increasing government intervention that impedes or distorts investment flows or attempts to shift artificially the benefits of these flows. These measures include trade-related or other performance requirements, fiscal or financial incentives, and discriminatory treatment of foreign investment.

To counter such measures, the United States will pursue an active international investment policy aimed at reducing foreign government actions that impede or distort investment flows and at developing an international system, based on national treatment and most-favored-nation principles, that permits investment flows to respond more freely to market forces. The United States will work to protect U.S. investment abroad from treatment which is discriminatory or otherwise inconsistent with international law standards. Under international law, no U.S. investment should be expropriated unless the taking is done for a public purpose, is accomplished under due process of law, is non-discriminatory, does not violate previous contractual arrangements, and is accompanied by prompt, adequate, and effective compensation.

In carrying out its international investment policy, in multilateral institutions, the United States will continue to:

- encourage OECD [Organization for Economic Cooperation and Development] member governments to adhere to, strengthen, and extend OECD investment and capital liberalization instruments;
- explore ways of extending the principles embodied in the OECD instruments to non-OECD countries;
- support efforts to increase awareness

of the extent and adverse effects of government intervention in order to build a global political consensus to reduce such intervention;

- work toward increased recognition of intellectual property rights;
- work in the OECD to examine investment problems that affect the service industries, recognizing that for these sectors the opportunity to do business in foreign countries is dependent, in many respects, on the ability to establish foreign operations that are governed by discriminatory investment rules;
- work in the OECD for a "data pledge" which would assure that no new barrier to data flows will be imposed by developed countries and encourage all countries to join in adopting more open and liberal policies on transborder flows;
- work to ensure that any technology transfers which occur are carried out on a sound commercial basis subject to national security and foreign policy considerations;
- encourage the multilateral banks to explore ways to strengthen the private sector role in facilitating financial flows to the developing world;
- support investor access to third-party arbitration to settle investment disputes.

In its relations with individual countries, the United States will:

- provide services and assistance to American investors abroad and offer the full support necessary to ensure that their investments are treated in accordance with standards of international law;
- seek to ensure that the provisions of U.S. Friendship, Commerce, and Navigation treaties and bilateral investment treaties and agreements are fully observed;
- seek to conclude bilateral investment treaties and agreements with interested countries;
- explore other appropriate ways to support private direct investment in developing countries;
- reserve the right to take action against the use of performance requirements and similar policies, consistent with international obligations. The United States will also exercise its rights under existing international agreements.

The United States believes that a combination of multilateral and bilateral efforts will contribute to a more open global climate for investment and thus enhance the prospects for economic growth in the United States and globally.

U.S. GOVERNMENT POLICY ON INTERNATIONAL INVESTMENT

I. Setting

The United States believes that international direct private investment plays a vital and expanding role in the U.S. and world economies. It can act as a catalyst for growth, introduce new technology and

management skills, expand employment, and improve productivity. Foreign direct investment can be an important source of capital and can stimulate international trade. Both home and host country economies benefit from an open international investment system.

International direct investment can provide particular benefits to developing countries. Foreign investment capital can help to expand the domestic resource base, augmenting locally generated investment and foreign concessional flows. Foreign direct investment may be of particular value to developing countries in that it contributes to domestic productive capacity without increasing the debt service burden. Further, developing countries may look to foreign direct investment to create new employment opportunities and to provide needed managerial and technical skills that cannot be gained through foreign trade.

Under present circumstances, however, international direct investment is being prevented from making its full contribution to global economic growth. While the current world trade and monetary systems (as embodied in the GATT [General Agreement on Tariffs and Trade] and the IMF [International Monetary Fund] developed after World War II remain an important foundation for the long-term growth and prosperity of the world economy, there unfortunately exists no comparable system for international direct investment. There has been inadequate collective restraint on widespread and distortive interventions by both developed and developing governments, attempting to control the flow of foreign direct investment and the benefits associated with it. While the effects of intervention are difficult to quantify, the impact can be negative for home, host, and third countries because intervention distorts international investment and trade flows, thereby preventing the most efficient allocation of resources.

Useful attempts have been made to address the problem, particularly in the OECD, but progress has been slow. The inability to arrive at an international consensus on these issues has created pressures in many countries, including the United States, to abandon more traditional economic policies based on market forces and to move toward still greater government intervention.

In light of these developments, it is important that there be a clear understanding both at home and abroad of U.S. policies with respect to international direct investment issues and how the United States intends to implement these policies.

II. U.S. Policy Precepts

The United States believes that an open international investment system responding to market forces provides the best and most efficient mechanism to promote global economic development. Government intervention in the international allocation of investment resources can retard economic growth.

The United States has consistently welcomed foreign direct investment in this country. Such investment provides substantial benefits to the United States. Therefore, the United States fosters a domestic economic climate which is conducive to investment. We provide foreign investors fair, equitable, and non-discriminatory treatment under our laws and regulations. We maintain exceptions to such treatment only as are necessary to protect our security and related interests and which are consistent with our international legal obligations.

The United States believes that U.S. direct investment abroad should also receive fair, equitable, and non-discriminatory treatment, consistent with international law standards. The basic tenet for treatment of investment is the national treatment principle: foreign investors should be treated no less favorably than domestic investors in like situations. Exceptions should be limited to those required to protect national security and related interests. In these cases, foreign direct investment should be accorded treatment consistent with the most-favored-nation principle.

The United States opposes the use of government practices which distort, restrict, or place unreasonable burdens on direct investment. These include such measures as trade-related or other performance requirements (such as local content, minimum export, and local equity requirements), fiscal or financial incentives. Interference with the market mechanism can cause serious distortions in trade and investment flows, encourage the retaliatory use of similar measures by other governments, and precipitate a downward spiral in global investment flows. The United States intends to continue its efforts to reduce or eliminate measures that restrict, distort, or place undue burdens on international direct investment flows. In this regard, the United States will make a particular effort to prevent the introduction by other countries of new measures of this type. Moreover, the United States will continue to attempt to deal with this issue on a multilateral basis, although non-multilateral approaches may be appropriate on a case-by-case basis.

The United States will continue to work for the reduction or elimination of unreasonable and discriminatory barriers to entry of investment. The United States believes that foreign investors should be able to make the same kinds of investment, under the same conditions, as nationals of the host country. Exceptions should be limited to areas of legitimate national security concern or related interests. Because establishment questions are not adequately covered in existing multilateral instruments relating to investment, the United States will encourage broader exploration, identification, and discussion of these issues in the OECD and elsewhere.

The United States is particularly concerned with foreign investment rules that prohibit service industries from doing business

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abroad. Service sectors are among the most dynamic in today's economy, but there exists a number of limitations that inhibit export opportunities. For many service sectors, there is a universal requirement of establishment in host countries, with the competitive success of these industries heavily dependent upon the presence of branches to meet peculiar regulatory requirements. Thus, the investment policies of foreign countries have special importance to the service sectors.

The United States recognizes that international direct investment frequently serves as a vehicle for transfer of technology and can benefit the economic development goals of both home and host countries. Technology transfers should be carried on a sound commercial basis, subject to national security and foreign policy considerations.

The United States places high priority on the protection of U.S. investment abroad from discriminatory treatment, or treatment which is inconsistent with international law standards. Under international law, no U.S. investment should be expropriated unless the taking (a) is done for a public purpose; (b) is accomplished under due process of law; (c) is non-discriminatory; (d) does not violate any previous contractual arrangements between the national or company concerned and the government making the expropriation; (e) is accompanied by prompt, adequate, and effective compensation.

III. General U.S. Objectives

The United States accords foreign investors open access to investment opportunities. What we seek is similar access for United States investors abroad. A major objective of our international investment policy is acceptance of the national treatment principle.

In addition, the United States seeks to:

- strengthen multilateral and bilateral discipline over government actions which affect investment decisions, such as incentives and performance requirements, particularly when such actions distort international trade and investment flows;
- reduce unreasonable and discriminatory barriers to establishment;
- create, through cooperation among developed and developing nations, an international environment in which direct investment can make a greater contribution to the development process;
- foster a domestic economic climate in the United States which is conducive to investment, ensure that foreign investors receive fair and equitable treatment under our statutes and regulations, and maintain only those safeguards on foreign investment which are necessary to protect our security and related interests and which are consistent with our international legal obligations.

IV. Multilateral

The United States will:

- continue to adhere to the OECD Investment Declaration and related Decisions

on national treatment, international investment incentives and disincentives, and Guidelines for Multinational Enterprises as adopted in 1976 and reviewed in 1979. We also adhere to the OECD Code of Liberalization of Capital Movements, adopted in 1961, and support its expansion;

- encourage OECD governments to abide by the OECD investment and capital liberalization instruments and to strengthen and extend these instruments through broader extension of the principle of national treatment and the right of establishment;

- explore ways of extending the principles embodied in the OECD instruments to non-OECD countries. To increase the effectiveness of these instruments on a global basis, the developing countries, and in particular the newly industrialized countries, need to be brought into any multilateral understanding on investment;

- support efforts to increase awareness of the extent and adverse effects that government intervention, e.g., through performance requirements, can have on the U.S. and world economies. This is essential in order to reduce the predatory use of such measures, and especially to limit the introduction of new measures and the expansion of existing measures. The United States will encourage and actively participate in continued work in multilateral institutions to address these questions;

- encourage adherence by all countries to the Paris Convention for the Protection of Industrial Property and enactment of effective industrial property laws, guaranteeing recognition of patent, copyright, and other industrial property rights. These are essential for the flow of foreign direct investment into both developed and developing countries. The lack of adequate property rights is a major disincentive to investment in manufacturing facilities and research and development and to the transfer of technologies. The Paris Convention for Industrial Property Protection is currently undergoing revision under the auspices of the World Intellectual Property Organization. The United States will support continued efforts aimed at improving protection of industrial property rights, fight to maintain current protection levels where they are adequate and to upgrade protection where it is inadequate, and work to ensure that such principles are upheld in negotiations of codes relating to transfer of technology and transnational corporations which are now underway in the U.N.;

- continue to work in the OECD for a "data pledge" which would assure that no new barriers to data flow will be imposed by developed countries and encourage all countries to join in adopting more open and liberal policies on transborder data flows;

- encourage adherence to the Code of Capital Movements and support its expansion;

- support the multilateral development banks in their efforts to foster more rapid economic growth in the developing countries. The United States will continue to encourage the Banks to explore ways to develop new

programs to strengthen the private sector role in financial flows to the developing world;

- support investor access to third-party arbitration to settle investment disputes, such as the facilities of the World Bank's International Centre for the Settlement of Investment Disputes. The United States believes that governments should effectively support investor access by adherence to the Convention of the Settlement of Investment Disputes between States and Nationals of Other States or the Inter-American Convention on International Commercial Arbitration, and by evidencing their commitment to be bound by third-country arbitral awards by adhering to the Convention of the Recognition and Enforcement of Foreign Arbitral Awards

V. In its bilateral relations, the United States:

- in cases of expropriation or nationalization of American investment abroad, will provide full support for American investors to ensure that standards of international law are honored by host governments;

- will provide appropriate facilitative services to assist American investors overseas and, in particular, will assist them in obtaining information on the host country investment climate, economic objectives, and investment opportunities;

- will work to ensure that the relevant provisions of our Friendship, Commerce, and Navigation treaties are fully observed;

- as a means to facilitate and protect American investment, will seek to conclude bilateral investment treaties and agreements with interested countries. The treaties will contain appropriate provisions on, *inter alia*, treatment of existing and new investment (including national treatment and most-favored-nation treatment); transfers; dispute settlement; use of performance requirements; and compensation in the event of expropriation;

- will explore, through our bilateral economic assistance programs with developing countries, appropriate ways to increase non-official flows and will seek to ensure that these programs effectively support private direct investment;

- reserves the right to take unilateral action against the use of performance requirements and similar policies, consistent with our international obligations. The United States is now exercising and will continue to exercise its rights under existing international arrangements, including the GATT and OECD.

The United States believes that a combination of multilateral and bilateral efforts will contribute to the achievement of a more open global climate for investment and thus enhance the prospects for economic growth in the United States and globally.

¹Text from Weekly Compilation of Presidential Documents of Sept. 12, 1983. ■

Protecting the World Economy

W. Allen Wallis

Address before the Business Council of New York in New York City on October 1, 1983. Mr. Wallis is Under Secretary for Economic Affairs.

It is a pleasure to be here in New York with so many old friends and familiar faces. Today, I want to develop two ideas with you. First, since the world economy is not in good health, I want to look back at the economic policies of the recent past and try to diagnose the causes of the illness in order to draw conclusions about various remedies that are being prescribed. We will find that our policies failed us, not our institutions or our system. Second, I want to explore in some depth the case for protectionism. There are simply too many fundamental errors and misunderstandings about protectionism that are accepted widely as gospel truth, and too many truths that are ignored.

Where Are We and How Did We Get Here?

Governments are trying to cope with a prolonged recession; high unemployment; falling rates of inflation, which have not yet restored price stability; and the increasing fragility of the financial structure of the world. Some are proposing or are being forced toward the policies that got them into their present troubles in the first place, namely inflation, and protection for inefficient industries.

To understand what is wrong with these ideas, it is necessary to understand how the present state of affairs came about. This means focusing on the market-oriented industrial economies, including the United States. Not only has their performance deteriorated most sharply, but because they are both the principal lenders and the principal markets for the world economy, their deterioration has infected the whole world.

The difficulties in which the industrial economies find themselves are, fundamentally, a consequence of political overcommitment. At least as long ago as the 1960s, and in most cases far earlier, governments made commitments to full employment, to job security, to social welfare, and to defense expenditures which could not all be fulfilled. Inflation

was the principal way of reconciling the incompatible claims on resources. Inflationary erosion of nominal wages by inflation, thereby reducing real wages, was the technique for securing full employment.

Commitments to full employment virtually removed constraints on wage bargaining. When inflation failed to maintain full employment because of distortions in the labor market, a host of direct interventions were introduced—protection against foreign competition, subsidies to “sensitive” industries, job-security legislation. All of this delayed necessary readjustments and made them even more difficult.

In some countries, fixed rates of exchange for foreign currencies masked the consequences of inflation. Resources were borrowed from abroad while inflation was exported. This veil was stripped away with the collapse in the early 1970s of the “Bretton Woods system” of fixed rates of exchange. The rise in oil prices in 1973–74 stripped away another veil. Where labor markets, in particular, and economies as a whole did not adjust, growth could not return to earlier levels. The rise in oil prices made everybody sensitive to inflation.

An essential feature of the inflationary “mask” was that it permitted negative real rates of interest—rates of interest less than the rate of inflation. This helped to maintain economic activity, though in very inefficient ways, by stimulating labor-saving investments.

Negative real rates of interest spurred an explosion of borrowing, led not so much by the developing countries as by governments of developed market-oriented economies. The fact that the current international debt problem is centered on developing countries should not obscure the fact that overindebtedness is a general phenomenon. Households, firms, local governments, and central governments—in developed and developing countries alike—went increasingly into debt. Almost everywhere government deficits rose as a proportion of GNP (gross national product). The accumulated deficit of the public sector in

the United States from 1973 to 1982 amounted to some \$460 billion. The government deficits of all the member countries of the OECD [Organization for Economic Cooperation and Development] over the same 10 years, totaled about a trillion-and-a-quarter dollars.

Inflation damaged economic efficiency and confused the price system. But still more inflation was needed to mask the inability of governments to meet their commitments. The resulting deterioration in economic performance led to more and more intervention and created an addiction to the inflationary policies which were at once a cause and a temporary palliative of the underlying disease.

In brief, there has been a vicious circle from political commitments to inflation to economic distortions to further commitments to further inflation. The oil-price rise exposed the extent of the problem, but the concomitant price explosion continued to veil its severity. By the end of the 1970s, a correction was long overdue if the inflationary spiral was not to get totally out of hand.

In February 1981 the new Reagan Administration unveiled its program for economic recovery. Let me quote a few key points from that program.

Today the Administration is proposing a national recovery plan to reverse the debilitating combination of sustained inflation and economic distress which continues to face the American economy. Were we to stay with existing policies, the results would be readily predictable: a rising government presence in the economy, more inflation, stagnating productivity, and higher unemployment. Indeed, there is reason to fear that if we remain on this course, our economy may suffer even more calamitously. . . .

The plan is based on sound expenditure, tax, regulatory, and monetary policies. It seeks properly functioning markets, free play of wages and prices, reduced government spending and borrowing, a stable and reliable monetary framework, and reduced government barriers to risk-taking and enterprise. This agenda for the future recognizes that sensible policies which are consistently applied can release the strength of the private sector, improve economic growth, and reduce inflation. . . .

The plan consists of four parts: (1) a substantial reduction in the growth of Federal expenditures; (2) a significant reduction in Federal tax rates; (3) prudent relief of Federal regulatory burdens; and (4) a monetary policy on the part of the independent Federal Reserve System which is consistent with those policies. These four complementary policies form an integrated and comprehensive program.

The disinflation that occurred soon after the President's program was introduced revealed that the maladjustments

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were even more serious than the President had said. Disinflation, created pains of its own, because of the slowness with which expectations, and especially expectations of inflation, change.

The correction of the errors of the 1970s acted like the blades of a pair of scissors. One blade was the recession which lowered the nominal yield on assets. The other blade was the rise in the cost of borrowing which further squeezed the return on capital. There was thus a large potential for corporate and individual bankruptcies and also for severe problems in servicing the debts of governments.

It is sometimes suggested that the problem with these debts is that now they cannot be repaid. But there is no more reason for poor countries suddenly to move into current-account surpluses than for the United States (or, for that matter, a corporation) to liquidate its debt. The problem is not the debt but the income to service it. The problem is to ensure continued confidence in the capacity of borrowers to service debt and thereby justify both the refinancing of existing obligations and a continuing net inflow of resources.

It is not possible to determine what proportion of existing debt is unsalvageable and what proportion of existing enterprises face liquidation—or, as one banker put it, what part can be handled by rescheduling and what part must be handled by reserves. The outcome depends in large part on the sort of economic recovery that now occurs. If the real assets that were financed by the debt fail to earn adequate returns, the debt will have to be written down. Even if the highest potential return is earned, some such writing-down may be necessary where there were major mistakes.

Remedies: False and True

Where there is illness there are quacks. At present there are two types of economic quacks. The less sophisticated prescribe protection; the more sophisticated prescribe coordinated reflation.

Only a few advocates of protection really believe that it will resolve the problems of their countries. Most simply consider it a political necessity in the short term, which in the long term will be obviated by economic recovery. In fact, locking resources into inefficient activities compounds maladjustment and creates uncertainty that erodes willingness to make long-term investments. Equally important, protection threatens the security of many of the investments and, therefore, the debt of developing

countries. Thus each act of protection, including subsidies to inefficient industry, makes recovery less likely and further deterioration more probable.

The more sophisticated recommend reflation. They argue that it is the attempt to lower inflation which is at the root of current difficulties. This is to mistake the cure for the disease. The cure is painful, but its postponement can bring only temporary relief, if that. Aggregate demand continues to expand rapidly. The trouble is that costs—especially labor costs—rise as well. There can be no reasonable hope that a large part of increased monetary demand will go in the long term into production rather than into prices. Any such rise in inflation, however, will create further agony in the longer term when, once again, policy is directed to lower inflation. Reflation is the easy way to deal with the symptoms of a disease created by taking the easy way.

But quacks, fortunately, are by no means the only policymakers today. To get out of the vicious circle it is necessary to get at the root of the problems while, at the same time, dealing with the inevitable short-term disruption that will result from the disappointment of past expectations.

Economic recovery demands a stable, or predictable, institutional environment that is conducive to efficient use of resources. Price relationship must once again give valid signals. This, in turn, requires monetary stability, which is a necessary condition for exchange-rate stability. It also requires the reduction, and ultimately the elimination, of direct price distortions. Effective steps to restore the proper functioning of the price system begin with foreign trade.

Much has been accomplished already. As President Reagan said last Tuesday to the governors of the International Monetary Fund (IMF) and the World Bank group:

We are working and cooperating to bring our individual economies and the world economy back to more solid foundations of low inflation, personal incentives for saving and investment, higher productivity, and greater opportunities for our people. . . . I believe the United States is making real progress. Since we took office, we have reduced the rate of growth in our Federal Government's spending by nearly 40%. We have cut inflation dramatically, from 12.4% to 2.6% for the last 12 months. The prime interest rate has been cut nearly in half, from 21.5% to 11%. Figures released last week reveal our gross national product grew at an annual rate of almost 10% in the second quarter and about 7% is estimated for the third. . . .

As we work together for recovery, we

must be on guard against storm clouds of protectionist pressures building on the horizon. At the recent economic summit in Williamsburg, my fellow leaders and I renewed our commitment to an open, expanding world trading system. The Williamsburg declaration reads, "We commit ourselves to halt protectionism and as recovery proceeds to reverse it by dismantling trade barriers." Whether such words will prove to be empty promises, or symbols of a powerful commitment, depends on the real day-to-day actions which each of our governments take.

The politicians and bureaucrats who would like to postpone liberalization until some more prosperous time actually have two conflicting ideas in their minds. They are genuinely convinced of the need for binding rules to govern trade between countries. Nonetheless, with an equal degree of genuine conviction, they take it as a hard fact of electoral politics that they cannot afford to abide by such rules, for that would mean confronting powerful interest groups. Hamlet was a man in a similarly torn frame of mind, trying to postpone the moment when his contradictory passions had to be confronted. For politicians the denouement has already come. Now they have to decide what it is they want to preserve. Do they want a "viable" textile or steel industry or a viable international financial and trading system?

An Analysis of Protectionism

Hopes that recovery will arrest the spread of protectionism and make it possible to roll back protectionist measures entail the danger that time will be wasted in waiting for the "right" conditions, which may never come. They imply that protection has been an unavoidable response to rising unemployment and that it will recede spontaneously as unemployment recedes. In reality, of course, protectionist pressures were intensifying well before the first substantial increase in unemployment in 1974. Protectionist measures are a serious threat to the recovery in progress. Protection is a political act—and a popular one. At the risk of being called a starry-eyed idealist, I want to go through some of the arguments for protection and expose the economic innards of this political animal. I plan to examine protectionism as it relates to the balance of payments and to employment.

Protection and the Current Account

The United States, the first country to experience a vigorous recovery, is running a substantial and growing current

account deficit. As often happens in such circumstances, exporters overseas fear that this current account gap may provoke measures to restrain imports. At the same time, the indebted countries, faced with increased costs of debt service and a sharply reduced inflow of credit, are trying to "make room" for debt service in their current accounts by placing additional restrictions on imports. But the belief that commercial policy can have more than a temporary influence on the current account balance is incorrect.

Trade policy is often discussed in terms of individual products. For example, if the tariff on radios is increased, imports of radios will decline. A generalization of this argument is tempting for governments of countries having difficulties with their current accounts. They argue that changes in the general level of import restrictions or of export promotion can alter a country's current account balance.

To study the validity of this argument and to identify what actually determines the current account balance, it is necessary to do the analysis on an economy-wide basis. If a country has a current account deficit, it imports more goods and services from the rest of the world than it exports. It follows by simple accounting that total spending on goods and services, foreign and domestic, exceeds its total domestic production. The reverse, of course, holds for countries with current account surpluses. Looked at in this way, the cause of the current account imbalance is the difference between domestic spending and domestic production, or in the economist's jargon, the difference between domestic investment and domestic saving. To reduce the current account deficit there must be some combination of increased saving (i.e., reduced consumption) and reduced investment. Put concisely, the relation of a country's savings to its investments determines the current account balance.

Since commercial policy has no direct or predictable impact on the relation of savings to investment, it cannot have a predictable influence on the country's current account balance. Trade barriers will alter the pattern of consumer spending, but there is no direct impact on the level of spending. Similarly, commercial policy can affect the pattern of investment, but it has no necessary impact on its level since trade restrictions that favor some domestic industries do so only at the expense of others.

This analysis reveals that several current policy problems, or approaches

to problems, rest on a misunderstanding. Additional restrictions on imports will not improve the payments position of the heavily indebted developing countries nor of the industrial countries faced with large current account deficits. On the contrary, these restrictions introduce further distortions and reduce the economic growth generated by each unit of investment. Attempts to improve the current account by direct controls make it even more difficult for these countries to earn foreign exchange by profitable exports and to attract capital resources from abroad.

A similar misunderstanding lies behind the concern frequently expressed about Japan's current account surplus and the corresponding current account deficit of the United States. Despite a recent decline, Japan's savings ratio remains well above those of other large countries. With Japan's domestic investment temporarily at a low level, the excess of domestic saving over domestic investment is lent out to finance expenditure abroad. This makes it possible for growth to occur in countries such as the United States, with low savings and high public deficits, at lower rates of inflation and interest than would otherwise have been the case. Japan's excess saving can flow out only in the form of a current account surplus; correspondingly, the United States can receive it only through a current account deficit. The present configuration of current accounts of the two countries reflects the difference in the relation of savings to investment in the two countries.

Protection and Employment

A common misunderstanding is that a current account deficit reflects GNP foregone and jobs lost. In the case of the United States, the current account deficit has widened because of a rising level of domestic expenditure and employment, accompanied already by some decline in unemployment.

The combination of trade difficulties and the recession no doubt increased the list of suffering industries and regions. Demands for protection against imports therefore intensified, not necessarily because imports were the chief source of the problem but because protection seemed to the suffering parties to be the easiest solution. A conspicuous example of the demand for protection was the proposal for domestic-content legislation. The worldwide recession gave rise to demands for protection in other countries as well, demands which were to some extent granted.

During this period of high general unemployment, public discussion has tended to focus on trade developments as a cause of unemployment or on export promotion as a way to increase employment. Both aspects of the argument are invalid because they fail to take account of important repercussions of what happens in the field of trade. It is true that if in the past 3 years U.S. exports had been greater, and if nothing else had happened, employment in the United States might have been larger. But it is not possible for U.S. exports to be greater and for nothing else to happen. Either imports also increase or our net foreign balance increases. If imports increase there is an obvious offset to the employment-creating effect of the exports. But if our net foreign balance increases, there is an interest-raising effect, which depresses employment in some domestic industries, such as construction.

Total employment is governed by certain overall features of the economy—the money supply, wage rates, and the demand for money. Just as trade policy affects the pattern of consumption, the behavior of exports affects the distribution of employment among industries but need not affect the total. The advantage of trade is not that it increases total employment but—if the trade is free and unsubsidized—that it permits us to employ our workers where they are most productive.

Protection and Industrial Policy

Those who hope that trade will automatically loosen up with recovery forget that the protectionism of the last 15 years or so has been more ideological than pragmatic in origin. It has been a logical concomitant of a particular perception of the powers and responsibilities of governments that emphasized the importance of protecting existing jobs and existing wage levels, even in the face of market pressures for structural adaptation. It is now generally acknowledged that the plight in which virtually all national economies find themselves is ultimately due to the disappearance of a common view of the world economy. The understanding of it as a positive-sum game, which animated the long period of prosperity in the 1950s and 1960s, has been lost.

An adequate analysis of how that came about would require a tome. To state it briefly, the principal cause was the great expansion of the role of economic policy, based on the belief that the main responsibility, as well as the

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requisite means, for maintaining full employment were with the government. As I said earlier, we came to believe that in discharging this responsibility, the government determined the speed of industrial adjustment, the rate of growth of the economy, and the composition of industrial output.

It is now clear that this conception vastly overestimated what governments could actually do. Moreover, this conception was bound to create frictions among governments of otherwise friendly nations. In the last analysis, it is the attempt to do too much, beyond the actual competence of governments, that explains stagflation interrupted by uncertain, asymmetrical recoveries. If governments were to move increasingly in this direction, the ability of businesses to make reasonable plans for the future would continue to deteriorate.

If we want to understand the end toward which so-called industrial policies are carrying us, there is no need to imagine fictional examples of industrial planning. The world market for agricultural products is a good illustration of the international trade consequences of national production planning. In agriculture, government interference with the market mechanism has a long history and is the most elaborate. Considerably more than one-half of world trade in agriculture is dependent on government subsidies and credits, transacted in the form of state trading or within politically negotiated arrangements. Indeed, it is fair to say that in agriculture an effective international price system no longer exists. Is it surprising that the bitterest commercial conflicts among the large industrial countries originate in their agricultural trade, causing serious harm to the smaller agricultural exporting countries? The interdependence of agriculture with all other sectors of national economies ensures that problems in that area spread to the other sectors. Thus the difficulties arising from the extensive use of price supports, subsidies, and border measures affecting trade in agricultural products have contributed to problems that have emerged in recent years in several areas of industrial trade.

Protection and the Price System

All the issues that I have discussed point to the decisive importance of stabilizing the conditions of international trade. It need not be utopian free trade; a reasonable concept of liberal trade must have key characteristics.

First, those industries deemed to deserve protection will be protective by nonprohibitive tariffs which remain stable for long periods or move gradually downward.

Second, competition will not be impaired by quantitative restrictions ("voluntary" or otherwise) or trade-distorting subsidies. Together with price level stability, these conditions are sufficient to ensure that the price system of each national economy will work efficiently—indeed, that there will be an efficient international price system signaling potential scarcities or surpluses anywhere in the world economy. They can thus be anticipated, and corrective measures taken in time. The future does not have to come in the form of surprises and upheavals.

The World Bank's *World Development Report 1983* carries a very important study of the way distortions in the price system impede growth. It shows that the damage is very substantial. These findings from an intensive study of a large number of developing countries apply with equal force to the economies of the developed ones. In the last 10 or 15 years these distortions have multiplied to the extent that one may well ask: What remains of the price system?

Government services, now a substantial part of total output everywhere, are clearly not priced by the spontaneous interplay of supply and demand. The bulk of agricultural output is marketed at prices or on terms set by the political process. Textiles and clothing, industries with vigorous internal competition, are effectively sheltered by a restrictive, quantitative import regime. Shipbuilding in several industrial countries continues to exist only by virtue of subsidies. Energy supply, subject to noncompetitive pricing, has been a major source of instability. The world's most efficient producer of automobiles is severely constrained in foreign trade. Extensive international political negotiations are going on about where and under what conditions the latest technological innovations will be produced. Most services such as transportation, insurance, and communications are both politically regulated and protected against competition from imports.

In the final analysis, protection, like inflation, damages the functioning of the price system. When the price system is prevented from working, its failures inevitably lead the political system to assume ever more lavish discretionary

authority over economic activity. Sluggish performance leads to promiscuous, day-to-day interventions—controls of prices; licences to pursue activities; permissions to make and to cultivate, to buy and to sell; distributions of privileges and exemptions—in short, the kind of power most subject to abuse and most damaging to real development.

Reducing obstacles to trade would contribute to economic growth and financial stabilization. Trade liberalization would demonstrate that it is better economic policy, promoting real output throughout the world economy. Yet even these strictly economic effects must be considered, at this stage, as only secondary benefits. Protection is not of international economic origin; it is a domestic political issue. Discretionary trade-restrictive and trade-distorting measures benefit particular industries and interest groups at the expense of other industries in the same country. They protect a particular conception of economic policy and a particular form of politics—both of which are unsound—the conception that consumers, businessmen, and financial managers should react to the signals of the allegedly "scientific, disinterested" policymakers at the center. Once captured by the pressure groups, this concept of policy made it easy for political commitments, and thus public budgets, to escape control.

The threat to democratic institutions cannot be overlooked. Democracy, after all, is only a political method of accommodating change without revolution. It must, therefore, rely mainly on procedural rules. When the state comes to be so involved in the processes of the society that it becomes the necessary support of existing economic and social structures, it has become identified with the status quo. When it involves itself by curtailing liberty, democracy itself is curtailed. The basic function of democracy—change without upheaval—may then become undischageable.

A bit earlier in the quotation from President Reagan's speech to the IMF, there was a reference to the Williamsburg economic summit and the commitment made there to "reverse protectionism by dismantling trade barriers." As we look toward the 1984 summit in London, fulfillment of this commitment will be a top priority of the Administration at home and with our trading partners.

I want to thank you for hearing me out on a subject that is not simple or entertaining but is, I assure you, vital to the economy of New York and the world. ■

Soviet Downing of Civilian Aircraft

**PRESIDENT'S RADIO ADDRESS,
SEPT. 17, 1983¹**

Five days after the Soviets shot down KAL 007, I went on nationwide television to urge that all of us in the civilized world make sure such an atrocity never happens again. And I pledged to you that night, we would cooperate with other countries to improve the safety of civil aviation, asking them to join us in not accepting the Soviet airline Aeroflot as a normal member of the international civil air community—not, that is, until the Soviets satisfy the cries of humanity for justice.

On Thursday, an American delegation led by Lynn Helms, who heads up the Federal Aviation Administration, went to Montreal for an emergency session of the ICAO, the International Civil Aviation Organization. This meeting was called at the request of the Republic of Korea, and 32 countries are attending. The group immediately went to work on a resolution to call for an international investigation, to deplore this atrocity, and to review procedures to prevent civilian aircraft from ever being attacked again. Yesterday, the resolution passed by an overwhelming majority.

The Soviets have not budged. Apparently, their contempt for the truth and for the opinion of the civilized world is equaled only by their disdain for helpless people like the passengers aboard KAL Flight 007. They reserve for themselves the right to live by one set of rules, insisting everyone else live by another. They're supremely confident their crime and coverup will soon be forgotten, and we'll all be back to business as usual. Well, I believe they're badly mistaken. This case is far from closed. The Soviets' aggression has provoked a fundamental and long overdue reappraisal in countries all over the globe. The Soviet Union stands virtually alone against the world.

Good and decent people everywhere are coming together, and the world's outrage has not diminished. Repercussions such as that emergency ICAO meeting in Montreal are just beginning. Take the example of aviation. Canada

suspended Aeroflot landing rights for 60 days and froze the signing of an agreement for Aeroflot refueling at Gander. The Canadian Air Traffic Controllers Association has withdrawn from a longstanding exchange agreement with its Soviet counterpart organization.

The IFALPA—that's the International Federation of Air Line Pilots Associations—declared the U.S.S.R. an offending state. It called for its member associations to ban all flights to Moscow for 60 days, and it called on related international unions and professional associations to take similar actions. It demanded Soviet guarantees that similar attacks will never be repeated, and what is most encouraging because it underscores this reappraisal I mentioned, the IFALPA promised to consider further actions against the Soviets if no such guarantees are given.

Scandinavian Airlines have suspended flights within Soviet airspace for 60 days. Norwegian pilots and air traffic

Most countries rebuke the Kremlin. Only a few of Moscow's dependables stood up for its defense. Nonaligned nations are looking to the United States for leadership. I've instructed our Ambassador to the U.N., Jeane Kirkpatrick, to sit down with them to seek out new areas of cooperation.

In the Congress, both the House and the Senate mobilized overwhelming bipartisan support for a resolution of condemnation. Some would have us lash out in another way by canceling our grain shipments. But that would punish American farmers, not the Soviet aggressors. The most effective, lasting action against their violence and intimidation—and it's the one action the Soviets would welcome least—will be to go forward with America's program to remain strong.

I'm confident that if enough of you at the grassroots make your voices heard, we can and will do just that. We may not be able to change the Soviets' ways, but we can change our attitude toward them. We can stop pretending they share the same dreams and aspirations we do. We can start preparing ourselves for what John F. Kennedy called a long twilight struggle. It won't

The Soviets have not budged. Apparently, their contempt for the truth and for the opinion of the civilized world is equaled only by their disdain for helpless people like the passengers aboard KAL Flight 007.

controllers are boycotting all air service between Norway and the Soviet Union. With the exception of France, Greece, and Turkey, all the NATO nations and Japan have temporarily suspended civil air traffic between their respective nations and the Soviet Union. Even neutral Switzerland and pilots in Finland have joined the general boycott. Australia and New Zealand are also taking strong measures in the area of civil aviation.

In the United Nations, the Security Council voted a resolution deploring the Soviet attack, forcing the Soviets to cast their veto to block its adoption. Here, too, we're seeing evidence that a fundamental reappraisal is in the works.

be quick, it won't make headlines, and it sure won't be easy, but it's what we must do to keep America strong, keep it free, and yes, preserve the peace for our children and for our children's children.

This is the most enduring lesson of the Korean Air Lines massacre. If we grasp it, then history will say this tragedy was a major turning point, because this time the world did not go back to business as usual.

**WHITE HOUSE STATEMENT,
SEPT. 22, 1983²**

I would like, on behalf of the President, to thank the OAS [Organization of American States] member countries for their extraordinary support regarding

the Korean Air Lines tragedy, which they expressed at the OAS Permanent Council meeting yesterday. As the President has often said, there is far more that unites us in this hemisphere than could ever divide us, and the demonstration of this was never plainer than at yesterday's OAS Permanent Council meeting.

The unanimous message of condolence, and the deploring of this act by all 24 OAS Permanent Representatives present at the meeting, reconfirms our belief that terror and indiscriminate use of force will not go unchallenged by the nations of the Western Hemisphere. This unanimous sign of compassion by the OAS members makes us confident that the world has learned a bitter lesson from this tragedy.

PRESIDENT'S STATEMENT, SEPT. 28, 1983¹

I am grateful to the Congress for its swift response to my request that it pass a joint resolution condemning the Soviet crime of shooting down a Korean airliner with 269 innocent persons on board. The strength of the joint resolution and the unanimity with which it was adopted will make clear to the Soviet Union that the American people are united in their condemnation of this dreadful act and in their demand that the Soviet Union take full responsibility for its action and publicly agree to take necessary measures to ensure this tragedy is not repeated. In its passage of the defense authorization bill the same day as this joint resolution, the Congress has backed up its expression of outrage with a firm statement of American resolve.

I am proud to affix my signature to this joint resolution.

¹Broadcast from Camp David (text from Weekly Compilation of Presidential Documents of Sept. 26, 1983).

²Made by the principal deputy press secretary to the President Larry Speakes (text from Weekly Compilation of Presidential Documents of Sept. 26).

³Text from White House press release. ■

Eastern Mediterranean and U.S. National Security

by **Richard R. Burt**

Address as prepared for delivery before the American Hellenic Educational Progressive Association (AHEPA) Convention in Chicago, Illinois, on August 11, 1983. Mr. Burt is Assistant Secretary for European and Canadian Affairs.

It is a great pleasure to be with you this evening and share this celebration of Hellenic heritage. AHEPA's splendid gift for the restoration of the Statue of Liberty and the immigrant museum on Ellis Island is a fitting tribute to the vision and courage of Greek Americans.

I am pleased to be able to talk to you this evening about the policies of the Reagan Administration. I expect that many of you are anxious to hear about our policies toward the Eastern Mediterranean—Greece, Turkey, and Cyprus. But as these can only be understood in their larger global context, please bear with me as I sketch this larger picture.

President Reagan was elected—with the votes of many of you—because he stood for reviving the American economy, strengthening the nation's security, restoring respect for America, and promoting order and peaceful changes around the world. His record in office testifies to his commitment to these goals. The Reagan Administration has succeeded in laying the foundation for successful policies at home and abroad.

Indeed, we have made some remarkable progress. Inflation in the United States has plunged. The prime rate has been cut by about half. Economic output increased nearly 9% in the last quarter. Unemployment, although unacceptably high, is coming down. There need be no doubt about the depth and durability of the recovery. Nor should there be any doubt about the Administration's commitment to lowering unemployment and decreasing the national debt.

Strengthening National Security

Strengthening the nation's security is also a principal goal of the Reagan Administration. As you know, President

Reagan has begun a major effort to modernize our military forces. We have gone ahead with development of the B-1B bomber and the MX missile. We are strengthening NATO's conventional and nuclear forces. In 1982 alone, defense spending increased more than 7% in real terms.

But national security rests on more than arms. Arms control constitutes an essential dimension of our security. Nothing is more important to this Administration than a realistic arms control policy. Our objective is not simply to reduce the likelihood of war but to negotiate arms control agreements that provide for real reductions, equality, verifiability, and enhanced stability.

Arms control, in turn, is but one element of our relationship with the Soviet Union. That relationship touches virtually every aspect of our international involvement. As a result, our dialogue is extensive. We seek real progress not only on arms control but in human rights and regional problems. We seek an improved relationship but on a reciprocal and realistic basis. We seek progress in deeds not simply words. We are encouraged by signs of Soviet willingness to act responsibly and would welcome more.

The United States has a global foreign policy which reflects worldwide responsibilities. The Reagan Administration has stressed American commitment to relieve repression in Poland. We are working toward a settlement in southern Africa and are pledged to seek the withdrawal of all foreign forces from Lebanon. We aim as well to restore independence to Afghanistan, end the occupation of Kampuchea, and promote democracy while halting Soviet- and Cuban-sponsored subversion in Central America.

Strategic Importance of the Eastern Mediterranean

Another region of vital importance to the United States is the Eastern Mediterranean. It is critical geographically, located at the nexus of Europe, Africa, and the Middle East. It sits astride major sea and air routes. The security of the Eastern Mediterranean is

essential if we are to protect Western Europe. For these and other reasons, the strategic importance of this region to the United States, NATO, and the West is immense.

The Soviet Union also recognizes the significance of this region. Access to warm water ports has long been a goal of Russian and Soviet leaders. Soviet naval presence in the Mediterranean, virtually nonexistent just 20 years ago, today numbers 40 to 50 ships. Long-range Soviet bombers can carry conventional and nuclear armaments anywhere over the Eastern Mediterranean. And Soviet missiles, including the highly modern SS-20 with three accurate nuclear warheads apiece, can reach Greece, Turkey, and Cyprus.

Soviet military muscleflexing is another indication of the importance Moscow attaches to this region. In late September 1982, the Warsaw Pact staged a major military maneuver, known as SHIELD-82, in Bulgaria. Some 60,000 troops participated, including several Soviet units and a substantial number of combat aircraft. This exercise was the largest Warsaw Pact exercise since the signing of the Helsinki accords in 1975 and the largest exercise in Bulgaria since the late 1960s. These maneuvers can only be interpreted one way—as testing Warsaw Pact concepts and capabilities for waging an aggressive war against NATO's southern flank.

The Eastern Mediterranean is thus a region we must and do care about. We have close relations with three countries there, two of which are NATO allies. But it is also an area of frustration. We recognize the problems are serious. They are problems which came about over many years; neither the Cyprus situation nor the strains between Greece and Turkey are recent.

We realize, too, that solutions cannot come overnight, even with the best intentions in the world. But we are not prepared to accept these problems as beyond solution. The United States has no intention of choosing among its friends in the Eastern Mediterranean. Nor will we abandon the hope that progress can be achieved.

Greece

I do not have to tell you our relationship with Greece, strengthened by our partnership in NATO, is important to the United States. Our close relationship with Greece has endured because it is

based on common values—values such as a commitment to freedom, to democracy, and to human rights. Our relationship is enriched on the personal level by ties of kinship and by the experience of so many Americans who have spent time in Greece.

The United States and Greece are partners in an alliance of democracies, where unanimity is neither sought nor likely but where reaching a consensus of opinion is crucial. Members have the obligation to seek a way of working together. I am sure you are all aware that in some areas we have important policy differences with Greece. While we respect any country's right to an independent foreign policy, we shall, at the same time, work to persuade Greece that our policies are in the interest of the entire West. Indeed, a strong America and a strong NATO serve the interest of all Greeks. At the same time, our ability to deter threats to these common interests depends upon our ability to remain united.

The current Greek government was elected on a nationalistic platform that questioned Greece's strong ties with the West, particularly with the United States. Nevertheless, immediately after the election, the United States extended congratulations to the new Prime Minister. We assured him of the importance the United States attached to our relationship and to our longstanding commitment to fostering ties which benefit both countries. I know that President Reagan delivered this message personally when he met with Prime Minister [Andreas] Papandreou at the Bonn NATO summit of June 1982.

As you know, we have recently succeeded in resolving a difficult bilateral issue. I speak, of course, of the Defense and Economic Cooperation Agreement initialed in Athens on July 15. The new agreement authorizes the United States to maintain existing military facilities in Greece. It will run until terminated by written notice by either side, which can be given at the end of 5 years or any time thereafter. This arrangement is comparable to agreements we have with other allies. Like the product of any negotiation, this pact only came about from compromise. But we believe that the agreement provides a good basis for a continuing bilateral defense relationship on terms acceptable to both governments. It should serve as a foundation for efforts to improve bilateral relations in other areas.

The new defense agreement also contributes to Western security. It is based upon existing bilateral and multinational arrangements, of which our common NATO membership is a major element. Together with security assistance provided to Greece by the United States, the agreement will help both countries to fulfill their mutual responsibilities.

Turkey

The United States has a close relationship with Turkey which, like Greece, is a NATO ally. A strong and stable Turkey is important to the United States and to Turkey's other NATO partners. It is particularly important to Greece. It would be as difficult to defend the shores of Greece without Turkey as it would be to defend the Straits of the Dardanelles without Greece.

The United States has supported the efforts of the Turkish Government over the past 3 years to reestablish tranquility and a stable democracy. We are confident that return to democracy in Turkey will result in the fullest possible expression of democratic freedoms and human rights. Turkey has also made remarkable economic progress; although it still faces long-term problems. Again, we stand by to help.

The continuing differences between Greece and Turkey are a cause for concern among their friends and allies. We are concerned because these differences affect their well-being and the security of NATO. We understand the complex problems and the mutual fears, rooted in a long history, which have strained their relations. I would only recall that Greece and Turkey have also had periods of constructive relations, particularly under the inspiration of two great leaders, Venizelos and Ataturk. The United States will continue to urge both countries to work out their differences and develop the cooperation which is so clearly to their mutual benefit.

The recent meetings between the Greek and Turkish foreign ministers have been a positive step. We are pleased that these conversations led to the recent meeting of experts in Ankara. While so far focused on discussions of trade and tourism, they hold the promise of becoming a more productive dialogue. I understand there will be another meeting in Athens soon. We believe that a constructive bilateral relationship is in the long-term interest of

both Greece and Turkey. It would enhance their own security and the role they can play in the Western community.

You are a well-informed audience and you know the Administration's position on the 7:10 ratio. While committed to preserving a balance of strength in the region, the Administration continues to oppose the use of a mechanistic ratio in determining relative levels of security assistance. Such a ratio ignores the changing needs of recipient countries. Nor does it take into consideration either the requirements of the NATO alliance or a changing strategic situation. We believe that application of an automatic formula year after year is an unrealistic approach, one that serves neither the interests of the recipient countries nor the United States. But this principled position on our part should not be allowed to obscure a central fact: The United States, as a friend, as an ally, and as the major source of security assistance to Greece, remains committed to the well-being and security of the Greek people.

Cyprus

Now let me turn to the question of Cyprus. No discussion of U.S. policies and efforts in the Eastern Mediterranean would be complete without discussion of that troubled island. Many of you have no doubt been there. My own visit this spring was extremely moving. I had the opportunity to meet with President [Spyros] Kyprianou, with the leader of the Turkish community, Mr. Denktash, and with the representatives of the United Nations. Perhaps just as important, I had a chance to see much of Cyprus. Flying in a helicopter, I saw the green line which cuts across the island. I saw as well the empty cities by the sea. I came away with but one thought: Cyprus is too small, too special, to remain divided forever.

Let me assure you that this Administration is very much aware of the human dimension of the Cyprus problem and the suffering caused by the continuing division of the island. This division has added to the mistrust and bitterness between the communities, bitterness which is creating a generation of Greek Cypriots and Turkish Cypriots who

know little of each other. Out of such ignorance comes further misunderstanding and increased potential for violence. This destructive process needs to be halted. Indeed, it is for this reason that we support Senator [Charles H. Percy, R.-Ill.] Percy's proposal for a Cyprus University. I know of no better way to demonstrate that Greek and Turkish Cypriots can coexist peacefully; nor do I know of any better way to sow the seeds of understanding and trust among the island's future leaders.

U.S. policy has, for the past several years, been one of strong support for the efforts of the UN Secretary General. We endorsed his mandated "good offices" role of bringing the two communities together in the hope that discussion can bring about a just and lasting settlement. We stand behind the efforts of the United Nations to reconvene the intercommunal negotiations. We, too, would like to see them proceed on a more substantive basis. The objective of hastening that day when Cyprus will again be one nation with justice, security, and opportunity for all is one we strongly endorse.

This day cannot come too soon. The Secretary General's efforts have achieved acknowledgment by both sides that an eventual reunification of Cyprus as an independent, democratic, bicomunal and federal, nonaligned state is preferable to any other solution. Furthermore, the two sides have agreed in principle to the general outline of the new state in which the concerns of each community would be respected. These are not small steps—they represent important progress toward a solution. On the other hand, "agreement in principle" is still a considerable distance from a settlement in fact.

U.S. policy is based upon the recognition that the Cyprus problem can be solved only by the parties themselves.

To be stable, a settlement must be agreed upon by the two communities. Dialogue between them is essential. If any solution is to endure, it must be wanted, not imposed. And if any solution is to be possible, it must include compromise by all, not simply by some. The will to move ahead must be found.

Conclusion

We, therefore, call on all parties involved in the problem: the two Cypriot communities; the Greek Government, the Turkish Government; and the UN officials carrying out the Secretary General's mandate, to redouble their efforts. The limited progress made to date in the intercommunal talks cannot be allowed to be undone. President Reagan believes the momentum must be maintained and built upon. We cannot allow the status quo to become permanent.

This evening I have tried to outline our broad goals on the major foreign policy issues in the Eastern Mediterranean. It is in the national interest of the United States to have good relations with Greece, Turkey, and Cyprus. It is in our national interest that the southern flank of NATO be strong. It is in the interest of Greece and Turkey that their relationship be constructive and that security in the Aegean be enhanced. And it is in the interest of everyone concerned that there be a settlement in Cyprus which enables both communities to live together in peace. These policies may be ambitious. They are not, however, unrealistic.

Indeed, our prospects for realizing these objectives will depend in part on how broadly they are supported at home. American foreign policy has been most successful when it has been bipartisan. An effective foreign policy also requires a close working relationship between the executive and Congress. It requires as well the support of the American people. Greek Americans have the potential to contribute a great deal to this process.

You in AHEPA have the responsibility to determine how you can best further the interests of the United States and benefit the countries from which you derive your heritage. We are ready to work with you in this endeavor. Together I am confident we can create and carry out a policy that is good for America and for the people of Greece, Turkey, and Cyprus. ■

Visit of Portugal's President Eanes



President Antonio Ramalho Eanes of the Republic of Portugal made a state visit to the United States September 14-20, 1983. While in Washington, D.C., September 14-17, he met with President Reagan and other government officials.

Following are remarks made by President Reagan and President Eanes at the arrival ceremony on September 15.¹

President Reagan

Nancy and I are honored and delighted to welcome you and Mrs. Eanes to the United States. Ever since President George Washington opened formal diplomatic relations between Portugal and the new American Republic, our history has been one of warm friendship. And I know I speak for our people when I say a friendship as warm and true as ours is more valuable than the richest treasure. I've looked forward to this opportunity to get to know you personally and to discuss relations between our two countries, as well as international matters of mutual interest.

In the 9 years since the revolution of April 25, 1974, Portugal has made great strides in building a vigorous democracy. Today, the fundamental institutions of a democratic country—an open press, a free economy, and broadly based political parties—are in place and flourishing. We in the United States recognize that the establishment of democracy in your country met sharp challenges. Portugal's success in surmounting those challenges demonstrates the courage of your leaders and the love of your people for freedom.

And you, yourself, have played a large and crucial role during these past 9 years. You have stated that Portugal must have an open, clear democracy. And as President, you've labored tirelessly to give Portugal just that. Your efforts have earned you not only a place in your nation's history but a chapter in the noble story of freedom throughout the world.

In foreign relations, our two countries share a number of vital interests, and these will receive due attention during our discussions today. I might note in particular that your nation's experience in Africa gives Portugal a

White House photo by Michael Evans

EUROPE

unique and invaluable perspective on current events on that continent, especially in Angola and Mozambique. Both our nations are actively interested in southern Africa, and your country has always been generous in sharing with us insights drawn from your own wide experience. During your stay here, I would like to discuss southern Africa, and I want you to know that the United States not only values the counsel you've given to us on this matter in the past but intends to remain in close consultation with Portugal about it in the future.

Along with our allies, Portugal and the United States share the responsibility of defending the Western world. Our security relationship is critical to the NATO alliance and to both our nations. We in the United States take pride in our military cooperation with your country. Currently, our two governments are negotiating a new security cooperation agreement that will broaden and strengthen our collaboration on common defense objectives. The United States fully supports Portugal's efforts to enlarge its role in Western defense. We recognize that as those efforts proceed,

Portugal will need to modernize its armed forces, and we're committed to helping you do so.

We take further pride in the economic cooperation that we have established with Portugal, particularly in recent years. That cooperation expresses the concern of the American people for the well-being of the Portuguese people and this country's unshakeable support for your country's economy and democracy.

Fifteen days ago an event took place that sickened people throughout the world. The Korean Air Lines massacre reminds us that although we in the West belong to a community of nations that strives to do good, others in the world do not shrink from doing evil. Let us in the Western alliance join together to retrieve meaning from those scores of innocent deaths, and let us rededicate ourselves to the defense of human freedom.

I am confident that your visit to the United States will strengthen relations between our two countries and reaffirm our commitments to shared goals. I know that my countrymen are eager to

give you a warm reception. Nearly half a million Portuguese have come to America as immigrants, and both they and their descendants have earned the gratitude of all Americans by contributing honorably and diligently to the building of our country.

So, once again, on behalf of the American people, welcome to the United States.

President Eanes²

I wish to thank you for the most generous welcome you have extended to us and for the words addressed to me as the representative of the Portuguese people who, as you know, are a loyal and firm ally of the United States of America. The ties uniting Portugal and the United States are indeed strong. The Portuguese maritime adventure, the Atlantic Ocean and the geopolitical concepts that it imposes, the sharing of the same democratic ideals, and the presence in the United States of a large and significant Portuguese community create real affinities and require from our countries a mutually advantageous approach.

It is with great pleasure that I pay this official visit to your country, certain as I am that it affords an opportunity for an open and frank exchange of views on political and international developments and, in a very special way, on the most positive means of strengthening the relations between our two countries.

It will thus be possible to reaffirm our loyalty to mutual commitments and to reinforce our longstanding cohesion in the defense of our common interests. This is an objective that is imposed on us by the present and by the future, and it is an aim that is all the more important to attain inasmuch as your actions have proved, through your courage and your consistency in the defense of democratic principles, that the values of freedom have, in you, a committed defender.

Portugal is a small country with a long history and vast political experience. With its eight centuries of independence, Portugal has participated in the long and complex course leading to the Europe we know today. But with its active presence in various regions of the world that it discovered and helped to

U.S.-Spanish Council Meets

JOINT STATEMENT, OCT. 4, 1983

The U.S.-Spanish Council, as the body responsible for supervising the implementation of the Agreement on Friendship, Defense and Cooperation between the United States of America and Spain, met on Tuesday, October 4, 1983, in Washington, D.C., under the chairmanship of Secretary of State George Shultz and Foreign Minister Fernando Moran. This is the first meeting of the council to be held by both parties as allies since the entry into force of said agreement.

The two ministers reviewed the work accomplished by the various organs that report to the council, as well as that which had been carried out in accordance with the provisions of the agreement.

In the military field, the accomplishment of various U.S.-Spanish joint military exercises was reported and mention was made of the progress achieved in programs of military cooperation. Special note was taken of

the establishment of the new Joint Committee on Defense Industrial Cooperation and of the progress made toward establishing an industrial cooperation program in this area.

Progress was also noted in the reports to the council concerning the development of scientific and technological cooperation, as well as advances realized in the cultural and educational area.

In the economic area the two co-chairmen noted negative aspects in commercial, fishing, and technological relations between the two countries and agreed to make new efforts to overcome the problems raised.

The two ministers stated their intention to adopt the necessary measures to increase U.S.-Spanish cooperation in fields foreseen in the agreement and in any other field of interest of both parties; to this end, they gave instructions to the council's committees to find appropriate ways to stimulate cooperation in the fields of defense, economy, science, technology, education, and culture. ■

HUMAN RIGHTS

know and to develop, Portugal has gained practical political knowledge that contributes to our unique way of relating to and understanding other peoples. From our history, we draw the conviction that the assertion of freedom of expression and of pluralist democracy, as well as the permanent guarantee of human rights and firmness in the defense of the essential values of our society, cannot be called into question. For us, the search for negotiated solutions to all conflicts, respecting other positions and different cultural patterns, is also natural, provided that those solutions do not run counter to the autonomy and sovereignty of each people and are expressed in terms of a common concern for safeguarding the peace.

In these last few years, the Portuguese overthrew a dictatorship half a century old and managed to overcome new totalitarian attempts through the rigorous fulfillment of the rules of a pluralist democracy, at a time when some believed that such an objective was already impossible to achieve. The Portuguese showed that when democracy is given an opportunity—a serious, committed opportunity—the totalitarianisms that deny freedom are defeated by the only real and consistent way of ensuring victory—the citizens' free choice.

But the superiority of democracy must equally be evidenced in its capacity to guide society, adjusting social expectations to what it is really possible to organize. Societies, or some social groups, when faced with the impossibility of attaining material expectations that they consider legitimate or that have been promised to them, may question the validity of global models of political organization and then nourish radical tendencies.

Only a political power that is democratically legitimate, competent, and efficient and able to ensure the balance of interests, a negotiated consensus, and conscious participation will be able successfully to carry out the tasks of economic reorganization.

In this regard, the greatest concern for the present and the immediate future lies in the economic area, both in respect to Portugal and within the framework of the Atlantic alliance and of international relations in general. And further, it is in that context of global democratic concern that it is justified to expect the demonstration of the solidari-

ty of the democratic countries and, first of all, of the United States. In this way, our security will be reinforced, guaranteeing the present and future substance of the Atlantic alliance and illustrating in many other areas and in practical realities, that all truly democratic forces and programs may count on effective support.

I am certain that our exchange of views on these and other subjects, while confirming our alliance, will justify a future of active and committed coopera-

tion. I look forward to meeting with you and discussing with you means for us to carry out this fruitful cooperation in the future between the United States and Portugal.

¹Made on the South Lawn of the White House where President Eanes was accorded a formal welcome with full military honors (text from Weekly Compilation of Presidential Documents of Sept. 19, 1983).

²President Eanes spoke in Portuguese, and his remarks were translated by an interpreter. ■

Human Rights Situation in the Philippines

by Elliott Abrams

Statement before the Subcommittee on Human Rights and International Organizations of the House Foreign Affairs Committee on September 22, 1983. Mr. Abrams is Assistant Secretary for Human Rights and Humanitarian Affairs.¹

I am pleased to be here today to discuss with you the human rights situation in the Philippines, a matter of special concern to all of us since the assassination of Benigno Aquino.

Our overall assessment of the human rights situation in the Philippines was most recently given in our annual country report on the Philippines, released January 31, 1983. Needless to say, another comprehensive report will be published for next year's volume. The country report for 1982 noted the mixed human rights picture in the Philippines.

Positive and Negative Reports

On the positive side, we can note that political opposition is tolerated within a limited scope in the Philippines and that public criticism of the government is frequently expressed. Limited criticism of the Philippine Government may even be found in the Philippine press. Opposition parties exist, and vocal opposition has existed within the National Assembly. In May 1982, village elections for about 300,000 local government positions were held for the first time in a decade and appear to have been reasonably fair. Freedom of assembly is generally observed in the Philippines, as are freedom of religion, freedom of travel, and freedom of emigration.

On the negative side, we have noted continuing reports of torture and summary executions by the military, especially in areas in the southern Philippines where combat with the NPA [National Philippines Army] exists. We have noted reports from task force detainees of summary executions, known as "salvagings," and of a small number of disappearances. Some persons arrested on suspicion of subversion have reported that they were tortured during interrogation, although the government denies this and attributes the use of physical violence against detainees to individual policemen who are misbehaving. We have noted the limitations on freedom of speech and press, including the occasional closing of newspapers and prosecution of journalists.

Clearly, the government maintains informal means to influence and pressure the media. Direct criticism of the Marcos family is likely to lead a journal or journalist into confrontation with the government. Nevertheless, foreign periodicals and newspapers are widely circulated and without censorship. There is no question that there is limited political participation in the Philippines due to the domination of politics by President Marcos and his associates. This is true both *de facto* and *de jure*, for Philippine law gives the President the right to legislate, appoint officials, and, in general, control all aspects of the national government.

Freedom House and Amnesty International

It may be of interest to the committee to have a sense of the views of two major human rights organizations—Freedom House and Amnesty Interna-

tional. Freedom House calls the Philippines "partly free" in its 1982 volume. It calls the Philippines "a plebiscitary family dictatorship." It notes that there is considerable opposition to political organization and some independence for the judiciary. Unions have only limited independence; the Catholic Church maintains its independence. Prisoners of conscience have been held. Military actions against insurgents have led to many unnecessary arrests, killings, and destruction.

Amnesty International, in its 1982 report, has several main concerns. The first is that although martial law was lifted in 1981, the government maintains wideranging emergency powers, particularly regarding arrest and detention. Amnesty International is also concerned that security personnel accused of abuses are rarely, if ever, prosecuted and punished, although they are transferred to other duties. Amnesty details a number of cases in which it finds misbehavior by the Government of the Philippines, especially by the military in the handling of opponents of the government. In a number of the cases it mentions, the individuals in question were released after a period of detention.

Last week John Monjo, Deputy Assistant Secretary for East Asian and Pacific Affairs, testified before the [Senate] Foreign Relations Committee about the Aquino assassination and its consequences. I am pleased that he is here with me today.

As we have repeatedly noted, publicly and privately, the United States believes that in the long run, stability in the Philippines will depend on the support of the people for their government. For the Philippines, as for every country, popular sovereignty expressed in free elections is our view of the best political system. We have stated publicly and privately our belief that next year's legislative elections are crucial to the development of democracy in the Philippines. The Philippines is a country, unlike many unhappy nations in the world, in which democracy has roots. It is our view that a free and fair legislative election next year can be a turning point in restoring full popular participation in the political life of the Philippines.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Major U.S. Interests in the Middle East

by Robert H. Pelletreau

Statement before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee on September 26, 1983. Ambassador Pelletreau is Deputy Assistant Secretary for Near Eastern and South Asian Affairs.¹

I appreciate this opportunity to testify before you today on recent developments in the Middle East and to describe our current policies. Before we begin our discussion, I would like to make some brief introductory remarks.

American diplomacy in the Middle East continues to be dedicated to the resolution of conflicts which threaten both regional and international peace and security and endanger critical U.S. political, security, and economic interests. Those conflicts, which we discussed at our last meeting in early August—the crisis in Lebanon, the Arab-Israeli dispute, the war between Iran and Iraq, and Libya's aggression in Chad—are far from being resolved.

Lebanon

Let me turn first to Lebanon. The cease-fire announced September 25 gives hope that the turmoil and violence in that long-suffering country may soon be brought to an end and replaced by a genuine process of national dialogue and reconciliation. Lebanon is important to us, not only because of our friendship for the Lebanese and our humanitarian concern for their plight but because events in Lebanon, lying as it does between Israel and Syria, affect the peace and stability of the entire area. That is why we are so deeply involved there. The principles governing our policy in Lebanon are:

- The withdrawal of all external forces;
- A sovereign Lebanon under a stable central government, dedicated to national unity and able to exercise control throughout its territory; and
- Security of Israel's northern border.

One hardly need be reminded that in recent weeks, the path toward these goals has become even more tortuous. Widespread fighting erupted in the Shuf and Alayh regions following the redeployment of Israeli forces south of the Awwali River. Factional fighting between PSP [Progressive Socialist Party] and Phalange militias was exacerbated and expanded by the introduction of Palestinian fighters into the fray and by the initiation of attacks on the forces of the central government. Syrian forces not only have been supplying the PSP and Palestinian combatants but also continue to occupy eastern and northern Lebanon, representing an obstacle to the full withdrawal of Israeli forces from the South, as foreseen under the May 17 Agreement.

Until yesterday's agreement, Lebanese confessional leaders had failed to respond to President Gemayel's invitation to enter into a national dialogue that could lead to internal reconciliation. And Syria had compounded its unhelpful role by encouraging such intransigence and fueling the continuation of internal turbulence in Lebanon. We hope that yesterday's agreement marks a new beginning among all parties involved and that this morning's cease-fire will evolve into the basis for a permanent peace.

Our basic policies have not changed in the face of these challenges. We believe our goals in Lebanon are just and attainable, and we are determined to persevere. We have intensified our diplomatic efforts, through the mission of Ambassadors McFarlane [Robert C. McFarlane, the President's personal representative in the Middle East], and Fairbanks [Richard H. Fairbanks III, special negotiator for the Middle East peace process], in support of the Government of Lebanon's efforts toward national reconciliation and the withdrawal of all foreign forces. The first step has now been achieved—a negotiated cease-fire, as a prelude to a political accommodation among the factions, withdrawal of foreign forces, and the reestablishment of Lebanese Government authority. The framework of such a cease-fire was urgently discussed over the past 2 weeks and has not been

agreed to by all the parties. Political dialogue and reconciliation must now be urgently addressed.

Our Marines, as part of the multinational force [MNF] in Lebanon, have been a stabilizing influence in this process. The Marines are there to provide a supporting presence requested by the Lebanese Government. Their job has been to help the government and the Lebanese Armed Forces restore Lebanese authority and sovereignty over the Beirut area and to end the violence there. They have performed this mission magnificently. We grieve the loss of the four Marines who have given their lives. But we can also be proud of the Marines and the contribution they are making to Lebanon.

The mission of the Marines has not changed, in spite of the recent escalation of violence. I want to emphasize, as other U.S. spokesmen have, that our Marines do not have a combat role. The rules of engagement remain that they will defend themselves if military action from any quarter interferes with their mission. We believe there is no concerted effort to target the Marines or other MNF contingents. But they are in an area where there is violence, and they must, therefore, be able to defend themselves. I can assure you that they will. We have no intention of increasing the number of Marines ashore, expanding their area of operation, or changing their role. On the other hand, we will provide sufficient military power offshore to bolster the Marines' own means of self-defense.

We are pleased that an agreement has been reached among the bipartisan leadership of the Congress to introduce and seek to enact a resolution authorizing the continued presence and mission of the U.S. peacekeeping forces in Lebanon. While the President has indicated that he has substantial reservations about parts of the resolution, he has also indicated that he would be willing to sign the proposed resolution while expressing his reservations if it is passed in the form that was presented to him. As the President stated, we are pleased that this proposed resolution not only supports our policies in Lebanon but now enables us to advance U.S. peacekeeping interests on the solid bipartisan basis that has been the traditional hallmark of American foreign policy.

In the current debate over the U.S. role in Lebanon, it is worth reemphasizing that we are engaged in a truly international effort there. Our Marines are

part of a multinational force in which French, Italian, and British troops are also performing valiantly and suffering casualties, on behalf of peace in Lebanon. Ambassador McFarlane's good offices are part of a larger diplomatic effort among many nations. Saudi Arabia, for example, which has unique access to many of the Lebanese parties, has played a consistent and helpful diplomatic role and has been particularly helpful in engineering the current cease-fire. Egypt and Jordan and our European allies have also been supportive in a number of ways. The United States is not "going it alone" in Lebanon.

There are other positive elements which also deserve attention as we view the current crisis in Lebanon. President [Amin] Gemayel is making an earnest and urgent effort to restore national unity. His statement with his Council of Ministers on August 31 calling on the leaders of Lebanon's confessional communities to join him in a dialogue aimed at a new national approach to political reconciliation was an important initiative which has been genuinely advanced and maintained and which has our full support.

The worthy performance of the Lebanese Armed Forces in supporting the government's efforts to restore order and reassert its authority is another encouraging development. The professionalism, unity, and courage of this small army, which draws its members from all of Lebanon's religious communities, is a demonstration of what can be achieved on a broader scale in Lebanon. U.S. training and the assistance we have provided the Lebanese Armed Forces have been a sound investment. In less than 1 year, an army that previously had been relegated to the barracks has recruited, trained, and fought. Competent leadership has emerged, and soldiers drawn from all of Lebanon's many confessions have stood side-by-side in combat.

Notwithstanding these positive elements, the problems which face the Government of Lebanon are formidable. The hesitancy of some Lebanese leaders to accept President Gemayel's call for negotiations leading to cease-fire and political talks has been discouraging. We understand the legacy of mistrust and division which lies behind this stubbornness; but Lebanon's communities have lived together in peace before; they can do so again.

The process of national reconciliation can advance, however, only if Lebanon's colossus to the east agrees. Syria's refusal thus far even to discuss terms under which it would withdraw its forces has caused Israel to delay withdrawal of its own forces.

Syria has said, in the past, that it would withdraw its forces when the Government of Lebanon says they are no longer needed. On September 1 the Lebanese Government said this, loudly and clearly, by formally requesting the departure of Syrian troops. We hope Syria will heed this request.

The United States recognizes that Syria has legitimate security interests in Lebanon, but we do not recognize its right to destabilize its neighbor or to occupy it permanently. We are continuing our dialogue with Syria in the hope that this will ultimately lead to negotiations between Lebanon and Syria and the withdrawal of all foreign forces—Syrian, PLO [Palestine Liberation Organization], and Israeli—from Lebanon.

The Broader Peace in the Middle East

Although Lebanon has preoccupied our diplomacy in the Middle East in recent months, our most fundamental goal remains a broader peace based on Resolution 242 and the Camp David framework. In an address on August 27, President Reagan strongly reaffirmed the U.S. commitment to the peace initiative he first announced on September 1, 1982. This initiative, he said, is "definitely alive and available to those parties willing to sit down together and talk peace" and the positions set forth in that initiative remain "the only realistic basis for a solution that has thus far been presented." The President's initiative embraces our firm commitment to the security of Israel and of all the states of the region as well as a fair and practical resolution of the Palestinian problem through negotiations.

Unfortunately, neither Israel nor its Arab neighbors have yet decided to grasp the opportunities afforded by the President's initiative. Israel's continued settlement activities, which we oppose, undermine Arab confidence in the willingness of Israel to trade territory for a negotiated peace. Moreover, division and mistrust among Palestinians and the refusal of the PLO and some Arab states to recognize Israel's right to exist are serious barriers to reinvigorating the peace process. The

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United States stands ready to assist in this process and will be in a position to act effectively when both Israel and its Arab neighbors grasp the opportunity for peace the President has offered.

The recent resignation of former Prime Minister [Menahem] Begin and the transition in Israel to a new government will not affect our fundamentally

sound relationship with Israel, our steadfast commitment to its security, or our hopes that Israel will join its neighbors in seeking peace.

We will also continue to emphasize the importance of close and friendly relations with Jordan. King Hussein still believes that the President's September 1 initiative is the only practical

avenue to peace, and Jordan remains willing to enter into negotiations with Israel if it can obtain adequate Arab support. Furthermore, Jordan shares with us an interest in the stability of the area and has actively aided other moderate countries in their defense. We must ensure that U.S. policy, including our economic and security assistance

U.S. Forces in Lebanon

PRESIDENT'S STATEMENT, SEPT. 20, 1983¹

I have a brief statement here. But I won't be able to take any questions, because we're running on a very tight schedule with regard to our arrival in South Carolina.

An agreement has been reached among the bipartisan leadership of the Congress to introduce and seek to enact a resolution authorizing the continued presence and mission of the U.S. peacekeeping forces in Lebanon.

While I have substantial reservations about parts of this resolution—reservations which I made clear to the leadership—I am pleased that this agreement among the congressional leadership supporting our presence and policies in Lebanon has been reached, and I would be willing to sign the proposed resolution, while expressing my reservations, if it passed in the form that has been presented to me this morning.

I'm especially pleased that this proposed resolution not only supports our policies in Lebanon but now enables us to advance U.S. peacekeeping interests on the solid bipartisan basis that has been the traditional hallmark of American foreign policy.

PRESIDENT'S LETTER TO THE CONGRESS, SEPT. 17, 1983²

I know you were gratified as I with Sunday's announcement of a cease fire in Lebanon. While there were many things that contributed to the cease fire, it is my belief that your agreement to advance the compromise resolution on war powers—and the favorable action by the Foreign Affairs and Foreign Relations Committees—were particularly important. At a crucial point, your agreement and the supporting committee actions expressed a commitment to bipartisanship in

U.S. foreign policy. Please accept my thanks.

Let me also take this opportunity to clarify an issue with respect to the interpretation of the compromise resolution. The compromise resolution refers to the requirements of section 4(a) of the Lebanon Emergency Assistance Act; I gather that a question has arisen as to the Executive Branch's understanding and intention in this regard. My understanding and intent remain exactly as they were when I signed the Lebanon Emergency Assistance Act: It would be my intention to seek Congressional, authorization—as contemplated by the Act—if circumstances require any substantial expansion in the number or role of U.S. armed forces in Lebanon.

In addition, regarding the Administration's intentions with respect to the 18-month time period, I can assure you that if our forces are needed in Lebanon beyond the 18-month period, it would be my intention to work together with the Congress with a view toward taking action on mutually acceptable terms.

Again let me thank you for your support for the compromise agreement. I believe its prompt enactment will only further improve the chances for the stable peace we seek in Lebanon.

Sincerely,

/s/ RON

PRESIDENT'S STATEMENT, SEPT. 28, 1983³

I want to thank the House of Representatives for its strong, bipartisan vote today supporting our policies in Lebanon and the continued presence of the U.S. peacekeeping force. This vote would not have been possible without the strong leadership of Speaker [Thomas P.] O'Neill, Majority Leader [James C.] Wright, Minority Leader [Robert H.] Michel, Chairman of the House Foreign Affairs Committee [Clement J.] Zablocki, and Ranking Minority Member [William S.] Broomfield.

A spirit of cooperation between

members of the two parties, and between the executive and the legislative branches of our government, has been the traditional hallmark of a successful foreign policy. Today, we continue the process of restoring that bipartisan spirit. Now we look to the Senate for a similar demonstration of responsible leadership.

PRESIDENT'S STATEMENT, SEPT. 29, 1983⁴

In the last 2 days, Republican and Democratic Members of the Congress have won a great victory for an honorable and all important American tradition—a responsible, bipartisan foreign policy.

Today's vote in the Senate, authorizing, as the House did yesterday, the continued presence of the U.S. peacekeeping force in Lebanon, sends a strong signal to the world; America stands united; we speak with one voice; and we fulfill our responsibilities as a trustee of freedom, peace, and self-determination.

By working together to promote peace in Lebanon, to give Lebanon back to the Lebanese people, and to help them rebuild their democracy, we are strengthening the forces for peace throughout the Middle East. This is neither a Republican nor a Democratic goal. Peace in that troubled region is the cause that unites us all.

¹Text from Weekly Compilation of Presidential Documents of Sept. 22, 1983.

²Identical letters addressed to Thomas P. O'Neill, Speaker of the House of Representatives, James C. Wright, Jr., Majority Leader of the Senate, Clement J. Zablocki, chairman of the House Foreign Affairs Committee, and Charles H. Percy, chairman of the Senate Foreign Relations Committee (text from White House press release).

³Text from Weekly Compilation of Presidential Documents of Oct. 3, 1983.

⁴Text from Weekly Compilation of Presidential Documents of Oct. 3, 1983. ■

programs, continues to support Jordan.

Egypt also has an important role in the peace process launched at Camp David, and our relationship remains one of full partnership. We value the support President [Mohamed Hosni] Mubarak's government has given to the President's peace initiative as well as Egypt's support for the government of President Gemayel in Lebanon. We will continue to place a high priority on close cooperation with Egypt and to support Egypt's efforts to advance its economic development and maintain its security. President Mubarak is aware of the need for economic reform and has stimulated new thinking on economic policy. We wish to support the reform process, and deobligation-reobligation authority is an important test for us. A strong Egyptian economy will yield us commercial benefits such as the recent \$300 million sale of Boeing 767 aircraft.

I am pleased to report that U.S. and Egyptian forces recently completed an extremely successful joint training exercise—Bright Star '83—which demonstrated the ability of Egyptian and American forces to work together in ways that would be useful in responding to threats to our mutual interests in the region.

Libyan Aggression in Chad

At our last meeting, I mentioned our growing concern with another conflict in an area adjoining the Middle East: Libya's armed aggression in Chad. Libya still occupies a large portion of northern Chad, but the French decision to send troops and combat aircraft has clearly had a deterrent effect on [Muammar] Qadhafi's willingness to move further south. The United States has been assisting with defense articles and services to the Chadian Government under the Foreign Assistance Act. The Libyan

presence hinders efforts toward reconciliation among the factions in Chad and is also a menace to the neighboring states. Our policy is to obtain Libya's withdrawal, a resolution of this conflict by peaceful means, and to preserve Chad's territorial integrity. We strongly support the efforts of France and multinational efforts by the OAU [Organization of African Unity] and the United Nations to achieve Libyan withdrawal and stability in Chad.

Iran-Iraq War

The war between Iran and Iraq continues to take a heavy toll in lives and treasure, and it also presents a continuing threat to U.S. and Western interests. The prospects for a negotiated settlement have not improved. The longer this war of attrition lasts, the greater the risk will be that either Iran or Iraq will risk some desperate military escalation in the gulf that would widen the war. We would regard as especially serious any threat by either party to interfere with free navigation or act in a way that would restrict oil exports from the gulf.

I wish to reemphasize, as we have made clear to both Iran and Iraq, that the unrestricted flow of oil from the gulf is vital to the entire international community. Our commitment to freedom of commerce and navigation in the international waters of the gulf is firm. Even if Iran and Iraq cannot come to grips with the basic issues that divide them and to make peace, we expect them to respect this principle.

One bright spot amid the warfare has been the measured improvement in our dialogue with Iraq. Iraqi Under Secretary Kittani's recent visit to Washington included calls on this committee and other members of Congress and staffers, as well as discussions with senior Administration officials. Ambassador Kittani also devoted much of his time to interviews with the media and private

American groups interested in foreign affairs. His visit was an eloquent statement of the value Iraq and the United States place upon coming to understand each other more accurately than has been possible in the past. We are narrowing the differences that remain in our approaches to several issues, and there are more important common interests that provide bases for increased cooperation. Of these, the most significant is the strong desire which the United States shares with all the peoples of the region for an immediate end to the Iran-Iraq war, so that both Iranians and Iraqis can get back to the development of their countries without outside interference.

Conclusion

I have only touched on the major conflicts in the Middle East which concern us most, without mentioning many other important political, economic, and strategic issues that affect American interests in that region. We intend to persist in our efforts to help solve these conflicts, working with other friendly nations in the process, and to pursue our other interests with patience and firmness. Our major interests in that region will continue to demand a sustained U.S. effort, notwithstanding the many difficulties we face. We are making that effort.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 ■

Nuclear Nonproliferation and Cooperation

by Harry R. Marshall, Jr.

Address before the International Nuclear Law Association in San Francisco on September 12, 1983. Mr. Marshall is Deputy Assistant Secretary for Oceans and International Environmental and Scientific Affairs.

The meetings of the International Nuclear Law Association (INLA) every 2 years provide a timely opportunity to reflect on international nuclear energy development and nonproliferation policies. As nuclear lawyers, we are specialists engaged in negotiating, contracting, and other pursuits which in some manner relate to nuclear energy—a technology which can provide the answers to our energy security needs but a technology which, if misused, can lead to profound consequences. Indeed, this concern has been a cause of frustration in many of our legal endeavors, but hopefully we can view it as a challenge to be overcome through the exercise of our legal skills. The problems posed by proliferation obviously cannot be ignored in our work in the nuclear field, and, indeed, we have the opportunity, through our efforts in international lawmaking, to make meaningful contributions to preventing the further spread of nuclear arms. With this premise in mind, I would like to assess what has been accomplished since the beginning of the Administration of President Reagan and what challenges remain in reaching non-proliferation goals and improving international nuclear cooperation. Let me first reflect on some historical background.

Historical Perspective (1975–81)

Eight years ago, at the time of the INLA meeting in 1975, many of the non-proliferation problems the international community now faces were already before us or were looming on the horizon. A nuclear device had been detonated the previous year in India, and there were growing concerns in some quarters that additional proliferation would follow.

In 1977 a new Administration had

established itself in Washington with some strong views on how best to deal with proliferation. By the time of the INLA meeting that year, that Administration had announced its non-proliferation policy and how it would be carried out. This policy included some approaches which departed quite significantly from previous U.S. practices. By 1979, when INLA next met, the full effect of the new U.S. policy had been experienced in varying ways in the United States and around the world. Many aspects of this policy were not well-received by other nations engaged in nuclear power development. Much of the new U.S. effort centered around an initiative to seek abandonment of reprocessing spent fuel in favor of a once-through cycle.

In January 1981, when the Reagan Administration assumed office in Washington, it was immediately confronted with a number of proliferation concerns. One of a serious magnitude centered principally on certain extant activities and intentions in South Asia. A general problem that was readily apparent was that cooperation with other suppliers had been hampered by their dissatisfaction with the policies of the previous Administration. This was particularly true with respect to controlling exports of nuclear equipment of a sensitive nature and preventing exports for unsafeguarded purposes.

During the first months, we witnessed increasing politicization of the International Atomic Energy Agency (IAEA). The right of Israel and South Africa to participate fully in IAEA activities was affected by extraneous issues, and the selection of a new Director General created unnecessary divisiveness along various regional and political lines.

U.S. policy regarding the exercise of control rights under U.S. agreements for cooperation had caused considerable consternation among our allies and friends. Because of this, many nations had lost confidence in the United States as a supplier that would deliver on a predictable basis and in accordance with agreements and contracts which had been solemnly and duly concluded.

One other item relates to the internationally accepted guidelines with respect to exports of nuclear equipment and material. Although for the most part these guidelines were viewed as satisfactory, they had not been seriously reviewed on a collective basis since the development of the suppliers' guidelines in 1975. Collaborative work was needed.

These were but a few of the non-proliferation issues which faced the incoming Administration.

When I addressed this group at its 1981 meeting in Palma, the new Administration was in its first year. We had recognized that many friends and allies of the United States had, during recent years, lost confidence in the ability—or willingness—of the United States to recognize their legitimate energy security needs, and this in turn created a less than optimum climate for cooperation in dealing with proliferation issues. To remedy this situation, a number of changes and initiatives had been announced by President Reagan in July 1981. This announcement foreshadowed the emergence, about a year later, of a plutonium-use policy designed to ensure greater predictability regarding the exercise of U.S. rights in agreements for cooperation, particularly approval of reprocessing and use of plutonium produced from U.S.-supplied material or equipment. Ironically, I might add, with this change in policy designed to improve international cooperation, the international market for reactor sales seemed to have ended, in most part due to escalating interest rates and reduced demands for electricity.

As many of you recall, on the eve of the 1981 meeting, a new IAEA Director General had just been named with the selection of Hans Blix. Although a consensus choice in the end, the struggle over his selection was indicative of problems which seemed to be sapping the agency's efforts and diverting it from effective pursuit of the purposes set out in the IAEA statute. In my statement at Palma, I made a number of points regarding the new U.S. policy.

- If universally accepted non-proliferation objectives were to be attained, the nations of the world would have to find ways to work together in a determined effort. For our part, it had become clear to U.S. policymakers that past unilateral and nondiscriminatory approaches, which impose solutions

without recognizing individual circumstances, simply would not work.

- Nonproliferation efforts would have to be directed at specific, identifiable threats on a case-by-case basis, and in doing so, we should address the underlying causes which motivate nations to develop or acquire nuclear arms.

- Stronger cooperative efforts on the part of suppliers to inhibit the transfer of sensitive material, equipment, and technology would be essential.

- Regarding the International Atomic Energy Agency, we would strive to prevent further politicization of the organization and take steps to strengthen further its technical assistance and safeguards programs.

- International treaty regimes were vital in encouraging all nations to accept mutual nonproliferation goals. Consequently, we would seek further acceptance of the nonproliferation treaty, and we would ratify Protocol I to the treaty of Tlatelolco.

- To strengthen the international nuclear cooperation regime, we would seek to conclude additional bilateral agreements.

- Underlying our nonproliferation agenda, we had announced that to maintain our influence in the international community the United States must be a predictable and competitive participant in international nuclear cooperation.

Now with this Administration nearing the end of its third year, I would like to point out the accomplishments which have been made in the attainment of nonproliferation objectives and note what remains to be done. The achievements do not benefit the United States alone, of course, but rather the global community. Similarly, I should note, progress in this regard has not been possible solely through our efforts but rather through mutual cooperation in an increasingly interdependent world.

South Asia

Since early 1981, the United States has undertaken a major effort in South Asia to deal with the underlying causes that might lead to proliferation in the subcontinent. The United States has provided significant foreign assistance to Pakistan to improve upon our longtime alliance. For example, nearly \$275 million was provided in 1982 and \$585 million is estimated for 1983 which amounts to a

doubling of our efforts—much of this in the form of increased military assistance.

Stability in South Asia had become understandably shaken in late 1979 by the Soviet invasion and occupation of neighboring Afghanistan. U.S. assistance has permitted Pakistan to strengthen its conventional defensive capability. This serves to bolster its stability and thus reduce its motivation for acquiring nuclear explosives. In addition there have been discussions between our two countries at the highest levels which have led to greater understanding of the need to avoid activities which raise concerns regarding proliferation in the region.

The United States does remain concerned with certain Pakistani plans—specifically any unsafeguarded operation of its new labs reprocessing plant and its continued efforts to complete construction of an unsafeguarded enrichment plant. Because of the development of these unsafeguarded facilities, built in large part through the use of imported Western technology and equipment, our position has been that suppliers should not cooperate in the development of the nuclear power station now planned to be built in Pakistan. This position is consistent with longstanding U.S. policy of seeking to have all nations require comprehensive safeguards as a condition of major new supply. We hardly believe it appropriate for Western suppliers to provide Pakistan with nuclear technology while the government there continues with its development of unsafeguarded facilities which have a destabilizing effect on the global nonproliferation regime.

What will evolve in Pakistan, and India as well, remains to be seen, of course. The United States intends for its part to continue to take actions to bolster security in the South Asian region in furtherance of its approach of dealing with the underlying causes of proliferation.

International Atomic Energy Agency

The IAEA in recent years has faced the greatest of challenges. Polarization of member nations' views on issues such as the selection of a Director General and Israeli and South African participation in agency activities continues to undermine the effectiveness of the IAEA. As

lawyers we can agree that lawmaking through international institutions is most effective when there is universal participation by those nations which choose to be involved. Excluding nations from full IAEA participation for political reasons taints the results of the agency's endeavors.

Despite the troubles in recent years, U.S. commitment is as strong as ever and our material support is increasing. Since 1981 the United States will have provided by the end of this year approximately \$101.7 million to the agency, of which approximately \$23.4 million will have been for technical assistance. During this same period, the United States will have expended approximately \$34.6 million to assist the IAEA in its safeguards activities including the development of techniques needed for larger and more sophisticated facilities which can be anticipated in the future. Beyond the contribution of these resources, considerable time and effort has been expended by U.S. officials in dealing with agency problems.

Treaty of Tlatelolco

The treaty of Tlatelolco [Treaty for the Prohibition of Nuclear Weapons in Latin America] has been viewed for some time as a valuable mechanism for the pursuit of nonproliferation objectives in Latin America. The United States ratified Protocol II to the treaty some years ago—a truly one of a kind agreement among all the nuclear weapons states. However, for a variety of reasons, previous Administrations had not carried out the ratification process for Protocol I of the treaty which essentially bars nations situated outside the region from deploying nuclear weapons in Latin American territories for which they are internationally responsible. The Reagan Administration rapidly completed its constitutional procedures to permit ratification of Protocol I, and in November 1981 Secretary Haig deposited the instrument of ratification in Mexico City. We are hopeful that the nations which have not become full parties to the treaty will do so in the not too distant future.

Nonproliferation Treaty

The United States is continuing to seek universal acceptance of the Nonproliferation Treaty (NPT). Since 1981, five

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additional nations¹ have adhered, bringing the number of parties to 119 so far. These recent adherents include the Arab Republic of Egypt, a nation which has long been interested in the peaceful uses of nuclear energy.

In 1985, the third review conference of the Nonproliferation Treaty will convene. At the last review conference in 1980, although the meeting fell short of achieving consensus on the final documents, many participants expressed firm backing for the treaty and emphasized the need to maintain and broaden worldwide support for it. It is critical now more than ever that there be a successful outcome of the review conference. The United States is engaged in its preparation for this important event, and the U.N. General Assembly will address this matter this fall.

Agreements for Cooperation

An area of great interest to me as a lawyer has been the negotiation of agreements for nuclear cooperation. A number of new U.S. agreements have entered into force or been negotiated since 1981. Those with Morocco, Bangladesh, Peru, and Indonesia had been negotiated prior to 1981 but were brought into force in the last 2 years. Negotiations with Egypt were concluded early in 1981, and the agreement is now in force. Its provisions are tailored to limit cooperation, for the most part, to research and power applications utilizing only low-enriched uranium. It has been praised as a model agreement for use in regions of political sensitivity.

Most recently we concluded negotiations with Sweden and Norway on agreements which, upon entering into force, provide advance approval by the U.S. Government for the transfer of U.S.-supplied fuel to the United Kingdom or France for the purpose of reprocessing. Such understandings with the United States are obviously important to nations with well-developed nuclear power programs. These are the first two agreements negotiated in accordance with the plutonium use policy of the Reagan Administration which was announced in the summer of 1982.

Negotiations are continuing with Japan in an effort to conclude a new agreement for cooperation. Such an agreement will obviate the need for any

extension of the U.S.-Japan accord regarding continued reprocessing of U.S.-supplied fuel at the Tokai reprocessing facility. Importantly, it will provide objective arrangements for approving the reprocessing of U.S. fuel in yet to be constructed facilities in Japan. It would be an agreement which would provide for close cooperation between the United States and Japan well into the next century.

International Export Guidelines

Extended efforts have been undertaken to consult among supplier nations to refine internationally accepted terms for nuclear export controls. Experts from several nations constituting the NPT Zangger committee have met on a number of occasions. These efforts have produced improved understandings of the procedures which are most effective for reasonable export control. Discussions have focused on a technology-by-technology basis, with the most critical technologies being addressed first. When this work is completed, there will be in place an improved, internationally accepted regime which contains greater detail and clarity. The outcome of this important effort should provide increased confidence to exporting and importing nations regarding uniformity of national control measures.

Nuclear Safety

Let me mention the topic of nuclear safety which I think is of particular interest to this group. Earlier this year, Assistant Secretary of State [for Oceans and International Environmental and Scientific Affairs] James Malone proposed the concept of an academy to provide training on an international scale in nuclear safety. Establishment of such a facility would introduce a worldwide audience to nuclear safety training programs available in the United States and

facilitate more effective use of nuclear power by helping reduce the possibility of safety-related problems. The Department of State is now in the process of consulting with representatives from a broad spectrum of the nuclear energy field, including major equipment manufacturers, architect-engineers, national laboratories, the university community, and other U.S. Government agencies. Following these consultations, it is hoped that a consensus will emerge forming the basis for further detailed recommendations leading to the establishment of the academy.

As many of you may know, Manning Muntzing, past President of the American Nuclear Society, has proposed consideration of an international commission on nuclear safety. The purpose of the commission would be to bring about a greater degree of uniformity in nuclear safety standards throughout the world. This idea is being considered *inter alia* by a special committee chaired by Professor Claude Zangger. The United States has taken the position that the concept of such a commission has considerable merit. We are encouraged by its development so far and look forward to its ultimate implementation. We will continue to take an active part in continuing discussions to give further shape to this idea.

This concludes my remarks—a presentation intended to demonstrate the accomplishments of this Administration since coming to office. In closing, I should note the obvious: that while success is often measured by the outcome of events, some very positive non-proliferation accomplishments are measured by events which have not happened. I think we all prefer it to remain that way. In the course of my remarks, I have noted some specific tasks that lie ahead. These tasks, in many respects, cannot be accomplished without the active support of the nations of this world dedicated to the development of nuclear power in a safe and proliferation free environment. We are confident of success in making substantial progress and, in fact, reaching many of these goals in the near future and beyond.

¹Egypt (Feb. 1981), Papua New Guinea (Jan. 1983), Nauru (June 1982), Vietnam (June 1982), and Uganda (Oct. 1982). ■

Marshall Islands Voters Approve Free Association With U.S.

On September 7, the electorate of the Marshall Islands voted in significant numbers to approve the Compact of Free Association. Final unofficial results from the U.N. observed plebiscite show an approximate 60% approval margin for the compact. The vote was preceded by a public education program administered by the Marshall Islands Government.

Under the compact and its subsidiary agreements, which were negotiated over a 14-year period, the Marshall Islands will be fully self-governing and will conduct its own foreign and domestic affairs. The United States will provide economic assistance to the island nation of 32,000 people and will guarantee its freedom and territorial integrity through the defense and security authority granted it by the compact.

The compact will come into effect after it has been approved by the U.S. Congress and the present trusteeship arrangement has been terminated. President Reagan, in a televised address, has committed his support to the compact, and the Administration plans an early submission to Congress. The Marshallese people have long sought the termination of the trusteeship. Their vote in the plebiscite, which is recognized as a sovereign act of self-determination, will provide the basis for termination of the trusteeship status.

The plebiscite in the Marshall Islands was preceded by an intense political campaign which highlighted several of the issues in the compact. Chief among these are the provisions of the negotiated settlement which address the legacy of the nuclear weapons testing program conducted by the United States in the Marshall Islands between 1946 and 1958. Most of the traditional and elected political leadership of the Marshall Islands urged approval of the compact, and in the end their advice was followed by a majority of the Marshallese people.

The Marshall Islands is one of the three states of the Trust Territory of the Pacific Islands (TTPI) to conduct plebiscites on the Compact of Free Association. Palau, on the western end of the Trust Territory, conducted its plebiscite on February 10, 1983, and the compact was approved by a 62% majority. However, conflicts between the Constitution and the compact must be resolved. In the Federated States of Micronesia, 79% of the people voted to approve the compact on June 21. The Federated States has also completed its government approval process.

The compact defines the relationship

between the United States and the new Micronesian states, as well as their international political status after the trusteeship is terminated. Now that the people of the Marshall Islands have approved the compact, it is ready for submission to the U.S. Congress where it requires majority approval by both Houses. After such approval, the United States will take up the question of trusteeship termination in the United Nations.

The Northern Mariana Islands, a fourth political jurisdiction in the Trust Territory, voted in 1975 to approve a negotiated commonwealth arrangement with the United States. Under this arrangement, the people of the Northern Mariana Islands will become U.S. citizens and U.S. sovereignty will extend to the islands when the trusteeship is terminated. All four political jurisdictions of the Trust Territory now have locally elected constitutional governments.

The United States has administered the Trust Territory of the Pacific Islands since 1947 under the Trusteeship Agreement with the United Nations. The islands comprising the TTPI were administered by Japan under a League of Nations mandate between World War I and World War II and were liberated from Japanese control by U.S. forces during the last years of World War II. Today, economic activity in the islands is centered in agriculture, fishing, and tourism. The compact contains incentives for investment, trade, and business development which will assist the islands in developing a stronger private sector. The compact also guarantees economic development assistance from the United States.

Press release 342 of Sept. 15, 1983. ■

Economic Growth and U.S. Policy in Central America

by Kenneth W. Dam

Address before the Forum Club in Houston on September 14, 1983. Mr. Dam is Deputy Secretary of State.

President Reagan spoke on April 27 to a special joint session of Congress to explain our response to the problems in Central America. He outlined a policy based on four interlocking elements: democracy, dialogue, defense, and development.

First, and I quote the President:

We will support democracy, reform, and human freedom. This means using our assistance, our powers of persuasion, and our legitimate "leverage" to bolster humane democratic systems where they already exist and to help countries on their way to that goal as quickly as human institutions can be changed. . . . We will work at human rights problems, not walk away from them.

Second, we favor negotiations and dialogue to resolve conflicts in ways that promote the development of democracy. The President's special envoy, former Senator Richard Stone, is working to facilitate negotiations both within and among the countries of Central America. We welcome the meeting that took place August 28 in Bogota, Colombia, between representatives of El Salvador's Peace Commission and the guerrillas. And we support the regional Contadora process, in which five Central American nations, including Nicaragua, are engaged with their nearest neighbors.

Third, to give diplomacy a chance to work, we are using military assistance as a shield to help Central American countries defend themselves. This shield should foreclose a military victory by antidemocratic forces supported through Nicaragua by Cuba and the Soviet Union.

Fourth, and again I quote the President:

In response to the challenge of world recession and, in the case of El Salvador, in response to the unrelenting campaign of economic sabotage by the guerrillas, we will support economic development.

It is this economic dimension of our policy toward Central America that I should like to focus on today. Amidst all the debate over the situation in Central

America, surprisingly little attention has been paid to what should be done about the region's pressing economic troubles.

Few would deny that economic difficulties lie at the heart of much of Central America's instability or that sound economic growth is vital to the region's future. Promoting that growth in a framework of equitable development is a major focus of our policy. Our assistance to the region makes the point: 81¢ of every dollar of U.S. aid to Central America this fiscal year is devoted to economic goals. And now the National Bipartisan Commission on Central America, headed by Henry Kissinger, has begun to give special attention to the region's long-term development needs.

So it is fitting that we take a moment to assess both the obstacles to growth in Central America and how they might be overcome.

Potential for Economic Growth

Let me begin with something that is often overlooked. Central America is clearly capable of strong and sustained economic growth. That is the proven record of the 1950s, the 1960s, and most of the 1970s.

From 1960 to 1979, real gross domestic product (GDP) in the United States grew by an average of 3.7% per year; the industrialized market economies as a whole grew at a rate of 4.2% per year. During those same 20 years, Central America did more than keep up. According to the World Bank, every country in Central America grew faster than the United States and faster even than the industrial country average. Annual growth rates averaged from a low of 4.4% in Honduras to a high of 6.3% in Costa Rica.

It is also true, of course, that Central America's population growth during those same 20 years was among the highest in the world, averaging about 3%. Even so, per capita income increased in every country. And, in each case, the percentage of total production accounted for by manufacturing and other industrial activity increased. For

instance, between 1960 and 1979 industrial activity in Honduras rose from 19% of total production to 26%.

In the mid-1970s, in fact, Central America's economic prospects attracted a major Japanese investment campaign. In El Salvador, for example, Japanese firms were particularly active in textiles and electrical appliances. By 1978, Japan was El Salvador's second largest foreign investor.

Against such a favorable background, how is it that Central America's rapid development lost momentum? How do economic problems relate to today's tragic conflicts? Many factors are involved, but three stand out: local social and political conflicts, the impact of the global economic recession, and the spread of guerrilla warfare and attacks on the economy. Let me take each in turn.

First, local social and political conflicts: in Central America, misrule and maldistribution of the benefits of development span many years. The region was still relatively quiet politically when I traveled there briefly 5 years ago. But even then the underlying economic problems and social tensions were unmistakable. In major cities, high walls separated palatial homes from the deepest squalor. Growth was slowly improving the lot of many people, but growth was also increasing expectations. And except for Costa Rica, there were few democratic outlets to help resolve frustrations and social tensions peacefully. The repression and instability that ensued proved bad for both business and labor. Over the past 5 years, social conflicts and political uncertainty have increasingly prevented needed new investment and have set back development.

The **second** obstacle to growth was a series of adverse developments in the world economy. Beginning in the late 1970s, the prices of Central America's basic export crops plummeted. Consider the four principal exports of the region. Coffee is the single most important export product for most countries in the area. Bumper crops in Brazil and Colombia caused world coffee prices to fall by more than 26% in nominal terms between 1977 and 1980. Cotton is the second most important export of El Salvador, Guatemala, and Nicaragua. In 1981, cotton prices stopped keeping pace with world inflation and fell by some 20% in nominal terms in just 9 months. The world price for bananas, a mainstay for Costa Rica and Honduras, also failed to keep pace with world inflation rates.

The price of sugar, meanwhile, fell near its historic lowpoint in real terms.

The rise in import costs was nearly as damaging as this fall in export revenues. Two of Central America's most important imports are petroleum and financial capital borrowed from hard currency countries. In 1978 and 1979, the second oil shock almost doubled the price of imported oil. And in the 1980s, the higher cost of capital on world financial markets increased the cost of rolling over old debt and contracting new debt to offset falling export revenues.

The result was a shocking economic dislocation. By 1981, it actually took two bags of Central American coffee to buy what one bag had bought in 1978. The shift in overall terms of trade meant that Costa Rica, for example, had to export 1.7 times as much to pay for the same amount of imports as 3 years before.

Domestic policy responses in Central America to these changed circumstances were generally slow and sometimes inappropriate. This led to the flight of local capital, heavy external indebtedness, and vitality-sapping controls. The Central American Common Market, the vehicle for preferential trade within the region, weakened rapidly as the economy of each of its members declined and grew more protectionist. The value of trade among Central American nations fell by one-third in nominal terms, from a high point of over \$1.1 billion in 1980 to \$775 million in 1982. In real terms the decline was much greater.

No Central American nation escaped the effects of this general decline. Even democratic Costa Rica, which faced fewer of the political and social challenges prevalent elsewhere in the region, went into a deep economic slump. Until 1980, Costa Rica's real growth rate had averaged more than 6% per year—the highest in the region. In 1982, in contrast, economic activity in Costa Rica declined 9%.

The economy of El Salvador contracted even faster. The reason is that El Salvador has been hit hardest by the third—and, in certain cases, the most important—factor in Central America's economic decline: the disruption of economic life by guerrilla violence.

In a nation where safe drinking water is scarce, guerrillas have destroyed water pumping stations and the transmission towers that carry the energy to run them. They have destroyed 55 of El Salvador's 260 bridges and damaged many more. In a 22-month period ending last November

they caused over 5,000 electrical interruptions—an average of almost 8 a day. In 1982 alone, the guerrillas destroyed over 200 buses. Less than half the rolling stock of the railways remains operational.

In a nation where overpopulation is endemic, where employment is hard to find, and where capital investment must be nurtured, guerrilla attacks have forced the closing of factories, the abandonment of farms, and the displacement of thousands of workers. One out of eight of El Salvador's most productive land reform cooperatives is either abandoned or operating only sporadically because of guerrilla violence.

The result has been human as well as economic disaster. On the average, every man, woman, and child in El Salvador is one-third poorer today than 4 years ago. During the off-season, agricultural unemployment is now 40%. In 1981, El Salvador was able to import only two-thirds as much by volume as in 1977. Critical goods like medicines and raw materials have been cut back sharply. And to maintain even this reduced level of foreign purchases, its central bank has had to increase net borrowings by almost \$300 million.

El Salvador, moreover, is not the only country affected by the consequences of guerrilla warfare. The spread of violence and uncertainty has made investors wary of ventures anywhere in Central America, even in the most stable countries of the region, Honduras and Costa Rica.

U.S. Policy

The United States is working hard to help the Central Americans overcome these obstacles and resume strong economic growth. Our policy is designed to address each of the problems I have mentioned.

First, to combat social tensions and the long-term instability of dictatorships, whether of the right or the left, we are supporting democratic politics and reform. Democracy gives people a stake in peaceful development. And it gives investors the stability they need to plan ahead, confident that the future is less likely to hold arbitrary shifts in government policies or sudden outbreaks of civil strife.

El Salvador's elected Constituent Assembly has, for example, twice extended land reform legislation in

response to popular demand; 500,000 Salvadorans have now benefited directly from the land reform. Both the AFL-CIO and the Agency for International Development are working hard to consolidate the reforms and to increase agricultural productivity. After initial declines, yields are beginning to increase again. And by developing a rural middle class, with money to spend on domestically produced goods, the land reform should provide an indispensable base for greater national output and employment.

Second, to help cushion adverse developments in the world economy and complement domestic policy reforms, we have increased both bilateral economic assistance and other forms of cooperation. In this fiscal year, we are obligating some \$625 million in bilateral economic assistance for Central America. That amount is more than four times greater than our military assistance. This economic aid includes:

- Balance-of-payments support to permit needed imports of consumption and production goods;
- Project money to build and improve basic assets like roads and bridges;
- Technical assistance to help the Central American governments provide services to their people more efficiently;
- Food aid; and
- Funds for the construction of low-cost housing.

We are also going beyond traditional economic assistance in two ways. We are encouraging close cooperation between individual countries and the International Monetary Fund (IMF) as well as the development banks. This cooperation should facilitate necessary internal adjustments and provide essential external capital flows. At the same time, we are creating new market opportunities for Central American products. The Caribbean Basin Initiative (CBI), which received strong bipartisan support in Congress and which the President signed into law just this past August 5, is a hallmark of our efforts to lay a sound basis for future growth. I shall return to it in a minute.

Third, because of the guerrillas' explicit targeting of the Salvadoran economy, our military assistance program is designed to help shield economic activity. Behind that shield, the Salvadoran economy can function, people can go to work, and vital public services can be restored. Right now a major

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civil-military operation is underway in the two provinces (San Vicente and Usulután) where guerrilla activity has been most damaging to coffee, cotton, livestock, and dairy farming. This operation is expected to permit 28 of El Salvador's 42 largest farm cooperatives to resume normal operations. Twenty schools and eight small hospitals have been opened since June.

It is difficult to quantify the lost value of foregone investments and disrupted production. We estimate that all of our economic assistance since 1980 does not fully offset guerrilla damage to the Salvadoran economy. But it is making a critical difference.

Future Prospects

What does the future hold? The answer, of course, depends on the ability of our friends in Central America to design and implement policies that will go beyond immediate needs and improve conditions for long-term development.

But we can certainly help. U.S. businesses have relatively small stakes in Central America. At the end of last year, for example, total U.S. direct investment in Central America was less than one-half of 1% of U.S. investment abroad. Nonetheless, economic development in Central America is in the national interest of the United States. The peace and prosperity of our neighbors is a goal worth spending money on, even a lot of money.

So it is not surprising that many Americans have recently begun talking about a "Marshall Plan" for Central America. Americans are every bit as committed to the peace and prosperity of Central America as they were to the reconstruction of Europe after World War II.

But the term "Marshall Plan" should not be taken literally. The analogy between postwar Europe and present-day Central America is less than precise. Postwar Europe faced problems of reconstruction, not of long-term development and immediate defense. Europe's internal conflicts and even occasional violence were contained by democratic experience and widespread belief in a new future. And Europe had a large pool of trained manpower with a long industrial tradition. For all of these reasons, massive infusions of capital

were quickly useable in postwar Europe. The problems of Central America are different.

But if the term "Marshall Plan" is used to emphasize the high priority we are already giving to economic assistance for the region, it is consistent with our thinking. Central America needs relatively high levels of assistance. It needs them now and perhaps for some years to come. It needs them for both development and defense. And it needs them to restore destroyed and deteriorated assets.

As the region recovers its balance, however, we will want to ensure that Central America's economies do not succumb to the tendency of some small, developing economies to adjust to large inflows of capital in ways that create permanent dependence. Massive inflows of aid can reduce the incentives for domestic saving. They can help maintain exchange rates at levels that discourage domestic investment. And the necessarily large role of governments in using foreign aid can also inflate the size of the public sector at the expense of more dynamic private enterprise.

Looking to the future, then, I would suggest six considerations that should be kept in mind in determining realistic levels of assistance for Central America after the present emergency.

The first is the one I have just outlined: the need to avoid impairing the region's independent economic potential by fostering dependence or undermining productivity. Nicaragua provides a concrete illustration. Since July 1979, Nicaragua has benefited from unprecedented levels of economic assistance from around the world. Their own figures indicate that they received more than \$500 million in assistance loans each year from 1980 to 1982. During the Sandinistas' first 22 months in power, the United States was Nicaragua's single largest bilateral donor of assistance, and we supported them when they applied to the international financial institutions for multilateral aid.

In spite of these high levels of aid, and an initial spurt of growth in 1979 and 1980, the Nicaraguan economy is now declining rapidly. We do not know just how rapidly because the Nicaraguan Government no longer publishes timely statistics. We do know that the public sector's share of gross national product (GNP), which was 15% before the revolution, reached 41% in 1980, and is

even higher today. The indications are that the growth of the nationalized sector has been accompanied by disastrous losses in production. And little of the available external assistance has gone into developing the productive activities that will be needed to sustain Nicaragua's praiseworthy new literacy and public health programs. Arturo Cruz, once the Director of Nicaragua's Central Bank and a member of the revolutionary government junta, has concluded that: "Nicaragua is condemned to be an international beggar."

A second consideration is that private investment, not official aid, is the key to growth. Funds for investment can come from only two sources: domestic savings or foreign savings, the latter in the form of foreign investment, loans, or economic assistance. To be self-sustaining, most of the investment must come from domestic resources. As I noted in presenting the U.S. position to the UN Conference on Trade and Development in June: "Adequate incentives for people to produce, save, and invest are the heart of effective policies for sustained growth."

Domestically, the nations of Central America can work to develop the kind of business environment conducive to private domestic investment. Political stability is a prerequisite. But open markets, an equitable and efficient tax system, sound monetary and foreign exchange policies, and a government commitment to encourage new enterprises are also needed. Sound government policies and nondiscriminatory legal procedures can also help attract foreign investment, and with it the technology and know-how to increase Central America's international competitiveness.

A third consideration is the distribution of investment between industry and agriculture. My own conviction is that industry should be developed, but not at the expense of agriculture. In country after country, an increasingly productive agricultural sector has proved to be the force driving economic growth.

Central America's own record is a case in point. For the most part, Central America has been highly successful in selling its agricultural goods to the world market: coffee, cotton, sugar, bananas. Without disturbing the production of agricultural exports, the Central Americans can also increase their industrial exports. In the late 1970s, they

had already begun to achieve this goal, as the statistics I mentioned earlier demonstrate. They can do so again, and better.

This brings me to my fourth consideration: international trade is key to Central America's future growth. Although Central American domestic markets are relatively small, Central America enjoys a similar resource base and shorter transportation lines to major markets than the five members of the Association of South East Asian Nations (ASEAN). The ASEAN nations have had an average growth rate of about 6% over the last decade. With the exception of the Singapore city-state, the ASEAN nations are, like Central America, engaged mainly in agriculture and the production of basic commodities. But unlike the Central American Common Market, they have not protected themselves behind a common tariff barrier. Instead, they have fostered growth through open markets and exports, combined with cooperative economic policies and joint industrial projects. The experience of the ASEAN nations confirms what common sense suggests—that the Central American nations should also be able to compete effectively in world markets.

A fifth consideration is that we should commit ourselves to making the benefits of American trade and commercial investment available to Central America. For years, Latin American experts have been telling us that what our neighbors wanted and needed most was a long-term U.S. commitment to their stable growth. That is why the President worked so hard on the Caribbean Basin Initiative. The CBI is an innovative 12-year program of one-way free trade and tax incentives for 27 nations in the Caribbean and Central America. The CBI provides market-oriented incentives for investment and business in the region, based on free trade and free investment flow. It emphasizes private enterprise and recognizes that private investment is the engine of development. We expect the designation of the first CBI beneficiaries to take place in November and the 12-year free trade provisions to go into effect in January.

By harnessing normal market forces to foster a growth pattern appropriate to the region, the CBI should attract

capital and create employment opportunities on a lasting basis. It is an approach that creates opportunities without dependence. I believe it should typify much of our thinking about how to promote future growth in the area.

My sixth and final thought is that we should do more to help meet the basic human needs of the people of Central America. On a world scale, these are "middle-income" countries. But continued technical assistance and other forms of cooperation in health, education, and population are still essential. Indeed, because they are our neighbors, the grounds for a special U.S. effort are strong.

Our private sector could and, I believe, should play a major role—both independently and in cooperation with the Agency for International Development. There is great scope for universities, businesses, religious organizations, and even local governments to cooperate with their counterparts in Central America. The needs are great for improved training, transfer of technology, health services, and other cooperation to better the quality of life in both urban and rural areas.

Freedom: The Key to Dynamic Growth

The United States is now on the road to a sustained economic recovery; most other industrialized nations are not far

behind. The challenge is to transform this revival into a truly global recovery, based on renewed growth in world trade and investment.

Central America, which is so close and so important to the United States, must share fully in this recovery. I think it can. The six considerations I have outlined today are designed to do just that. Central America can avoid dependency, strengthen its private sector, develop agriculture as well as industry, and increase its foreign trade. In turn, the United States can ensure the availability of American markets and enterprise, and cooperate to better meet the basic human needs of Central America's people.

The key to establishing this dynamic is freedom. Freedom from outside intervention. Freedom from tyranny. And freedom to create. As President Reagan stated in his September 1981 speech to the IMF and World Bank:

Only when the human spirit is allowed to invent and create, only when individuals are given a personal stake in deciding economic policies and benefiting from their success—only then can societies remain economically alive, dynamic, prosperous, progressive, and free.

That is our goal: neighbors who are both free and independent. Let us move now to an era of economic and political cooperation, securely founded on peaceful development. ■

Border-Crossing Documents for Mexicans

The Department of State and the Immigration and Naturalization Service (INS) will end a pilot program involving the issuance of border-crossing documents to Mexican applicants on August 31, 1983. During this program, the INS ceased to issue border-crossing documents to Mexicans at places of entry on the border between Del Rio and Brownsville, Texas. The INS will resume issuance of border-crossing documents.

American consular officers at Matamoros, Ciudad Juarez, Tijuana, Nuevo Laredo, and Hermosillo will continue issuing border-crossing documents. Mexican applicants may now apply at the office (either U.S. Consulate or INS post) most convenient to them. This is the same arrangement which was in effect before the pilot program began.

The border-crossing document permits citizens of Mexico to enter the United States for a maximum period of 72 hours, within 25 miles of the border.

It does not permit the holder to work in the United States.

The pilot program was ended early because of concern expressed in some U.S. border cities that it might reduce the number of Mexican visitors to the United States.

As an additional step to facilitate cross-border travel, all American consular offices in Mexico will begin issuance later this year of a new travel document to Mexican citizens. This document will combine the advantage of faster border inspection of the border-crossing card with the greater flexibility of tourist or business visas.

The Department of State and the INS will continue to monitor and evaluate the overall effectiveness of the program for issuance of border-crossing documentation.

Press release 332 of Aug. 30, 1983. ■

TREATIES

Current Actions

MULTILATERAL

Antarctica

Recommendations relating to the furtherance of principles and objectives of the Antarctic treaty (TIAS 4780). Done at London Oct. 7, 1977.

Notification of approval: France, Sept. 8, 1983.

Entered into force: Sept. 8, 1983.

Arbitration

Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force June 7, 1959; for the U.S. Dec. 29, 1970. TIAS 6997.

Ratification deposited: Luxembourg, Sept. 9, 1983.

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague Dec. 16, 1970. Entered into force Oct. 14, 1971. TIAS 7192.

Ratification deposited: Jamaica, Sept. 16, 1983.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal Sept. 23, 1971. Entered into force Jan. 26, 1973. TIAS 7470.

Ratification deposited: Jamaica, Sept. 16, 1983.

Coffee

International coffee agreement 1983, with annexes. Done at London Sept. 16, 1982.¹

Instrument of ratification signed by President: Sept. 6, 1983.

Ratifications deposited: Central African Republic, July 27, 1983; Ireland, July 28, 1983; Singapore, Aug. 18, 1983; U.S., Sept. 15, 1983.

Declarations of provisional application deposited: Mexico, Aug. 23, 1983; Venezuela, Aug. 25, 1983.

Extension of the international coffee agreement, 1976 (TIAS 8683). Done at London Sept. 25, 1981. Entered into force Oct. 1, 1982. TIAS 10439.

Definitive acceptances deposited: Finland, Aug. 30, 1983; Ireland, July 28, 1983.

Commodities—Common Fund

Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.¹

Ratifications deposited: Central African Republic, Aug. 2, 1983; Equatorial Guinea, July 22, 1983; Syrian Arab Republic, Sept. 8, 1983.

Customs

Convention establishing a Customs Cooperation Council, with annex. Done at Brussels Dec. 15, 1950. Entered into force Nov. 4, 1952; for the U.S. Nov. 5, 1970. TIAS 7063. Accession deposited: China, July 18, 1983.

Environmental Modification

Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977. Entered into force Oct. 5, 1978; for the U.S. Jan. 17, 1980. TIAS 9614.

Accession deposited: Greece, Aug. 23, 1983.

Finance

Articles of agreement of the International Bank for Reconstruction and Development formulated at the Bretton Woods Conference July 1–22, 1944. Entered into force Dec. 27, 1945. TIAS 1502.

Signature and acceptance deposited: Antigua & Barbuda, Sept. 22, 1983; Malta, Sept. 26, 1983.

Fisheries

Convention on future multilateral cooperation in the northwest Atlantic fisheries. Done at Ottawa Oct. 24, 1978. Entered into force Jan. 1, 1979.²

Instrument of accession signed by President: Sept. 6, 1983.

Eastern Pacific Ocean tuna fishing agreement, with protocol. Done at San Jose Mar. 15, 1983.¹

Signatures: Guatemala, Aug. 5, 1983; Honduras, Aug. 22, 1983.

Instrument of ratification signed by President: Sept. 6, 1983.

Human Rights

International covenant on civil and political rights. Done at New York Dec. 16, 1966.

Entered into force Mar. 23, 1976.²

Ratification deposited: Luxembourg, Aug. 18, 1983.

International covenant on economic, social and cultural rights. Done at New York Dec. 16, 1966.

Ratification deposited: Luxembourg, Aug. 18, 1983.

Jute

International agreement on jute and jute products, 1982, with annexes. Done at Geneva Oct. 1, 1982.¹

Signature: Turkey, June 30, 1983.

Definitive signature: Canada, June 30, 1983.

Approval deposited: China, June 30, 1983.

Notification of provisional application deposited: Finland, U.K.,³ June 30, 1983.

Ratifications deposited: Norway, Sweden, June 30, 1983.

Law

Statute of The Hague Conference on Private International Law. Done at The Hague Oct. 9–31, 1951. Entered into force July 15, 1955; for the U.S. Oct. 15, 1964. TIAS 5710. Acceptance deposited: Uruguay, July 27, 1983.

Maritime Matters

Amendments to the convention of Mar. 6, 1948, as amended, on the International Maritime Organization (TIAS 4044, 6285, 6490, 8606, 10374). Adopted at London Nov. 17, 1977.¹

Acceptance deposited: Indonesia, July 29, 1983.

Amendments to the convention of Mar. 6, 1948, as amended, on the International Maritime Organization (TIAS 4044, 6285, 6490, 8606, 10374). Adopted at London Nov. 15, 1979.¹

Acceptances deposited: Cape Verde, Aug. 30, 1983; Indonesia, July 29, 1983; St. Lucia, U.K., Sept. 14, 1983.

Nuclear Material—Physical Protection

Convention on the physical protection of nuclear material, with annexes. Done at Vienna Oct. 26, 1979.¹

Signature: Turkey, Aug. 23, 1983.⁴

Patents—Plant Varieties

International convention for the protection of new varieties of plants of Dec. 2, 1961, as revised. Done at Geneva Oct. 23, 1978. Entered into force Nov. 8, 1981. TIAS 10199.

Ratification deposited: U.K., Aug. 24, 1983.

Phonograms

International convention for the protection of performers, producers of phonograms, and broadcasting organizations. Done at Rome Oct. 26, 1961. Entered into force May 18, 1964.²

Pollution

Convention on long-range transboundary air pollution. Done at Geneva Nov. 13, 1979. Entered into force Mar. 16, 1983. TIAS 10541.

Ratification deposited: Greece, Aug. 30, 1983.

Property—Industrial

Convention of Paris for the protection of industrial property of Mar. 20, 1883, as revised. Done at Stockholm July 14, 1967. Entered into force Apr. 26, 1970, for the U.S. Sept. 5, 1970, except for Arts. 1–12 entered into force May 19, 1970, for the U.S. Aug. 25, 1983. TIAS 6923, 7727.

Property—Industrial—Classification

Nice agreement concerning the international classification of goods and services for the purposes of the registration of marks of

June 15, 1957, as revised. Done at Geneva May 13, 1977. Entered into force Feb. 6, 1979.

Instrument of ratification signed by President: Sept. 6, 1983.

Property—Intellectual

Convention establishing the World Intellectual Property Organization. Done at Stockholm July 14, 1967. Entered into force Apr. 26, 1970; for the U.S. Aug. 25, 1970. TIAS 6932.

Accessions deposited: Haiti, Aug. 2, 1983; Panama, June 17, 1983.

Refugees

Protocol relating to the status of refugees. Done at New York Jan. 31, 1967. Entered into force Oct. 4, 1967; for the U.S. Nov. 1, 1968. TIAS 6577.

Accession deposited: Peru, Sept. 15, 1983.

Sugar

International sugar agreement, 1977, with annexes. Done at Geneva Oct. 7, 1977. Entered into force provisionally, Jan. 1, 1978; definitively, Jan. 2, 1980. TIAS 9664.

Accession deposited: Uruguay, Sept. 13, 1983.

Telecommunications

Radio regulations, with appendices and final protocol. Done at Geneva Dec. 6, 1979.

Entered into force Jan. 1, 1982, except for (1) Arts. 25 and 66 and Appendix 43 which entered into force Jan. 1, 1981, and (2) certain provisions concerning aeronautical mobile service which entered into force Feb. 1, 1983.

Instrument of ratification signed by President: Sept. 6, 1983.^{4, 5}

Trade

Agreement on import licensing procedures. Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9788.

Ratification deposited: Egypt. Sept. 6, 1983.

Agreement on implementation of Article VI of the General Agreement on Tariffs and Trade (anti-dumping). Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9650.

Ratification deposited: Egypt. Sept. 6, 1983.

Treaties

Vienna convention on the law of treaties, with annex. Done at Vienna May 23, 1969. Entered into force Jan. 27, 1980.²

Accession deposited: Malawi, Aug. 23, 1983.

UNIDO

Constitution of the United Nations Industrial Development Organization, with annexes.

Adopted at Vienna Apr. 8, 1979.¹

Signature: Bhutan, Sept. 15, 1983.

Ratifications deposited: Canada, Sept. 20, 1983; Lebanon, Aug. 2, 1983; Luxembourg, Sept. 9, 1983; U.S., Sept. 2, 1983.⁵

Whaling

International whaling convention, as amended by the 1956 protocol, and schedule of whaling regulations. Done at Washington Dec. 2, 1946. Entered into force Nov. 10, 1948. TIAS 1849, 4228.

Notification of withdrawal: Jamaica, Sept. 20, 1983; effective June 30, 1984.

Women

Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.²

Ratification deposited: Australia, July 28, 1983.^{4, 5}

World Heritage

Convention concerning the protection of the world cultural and natural heritage. Done at Paris Nov. 23, 1972. Entered into force Dec. 17, 1975. TIAS 8226.

Ratification deposited: Madagascar, July 19, 1983.

BILATERAL

Australia

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Sydney Aug. 6, 1982.

Instrument of ratification signed by President: Aug. 23, 1983.

Agreement relating to the limitation of meat imports from Australia during the year 1983, with related letters. Effected by exchange of letters at Washington Sept. 8 and 19, 1983. Entered into force Sept. 19, 1983.

Bolivia

Agreement amending the agreement of May 31, 1978, (TIAS 9518) for sale of agricultural commodities. Effected by exchange of letters at La Paz Aug. 29, 1983. Entered into force Aug. 29, 1983.

Bulgaria

Agreement concerning fisheries off the coasts of the United States, with annexes. Signed at Washington Sept. 22, 1983. Enters into force on a date to be agreed upon by exchange of notes following completion of internal procedures of both governments.

Canada

Agreement relating to the limitation of meat imports from Canada during the year 1983,

with related letters. Effected by exchange of letters at Washington Aug. 17, 1983. Entered into force Aug. 17, 1983.

Memorandum of understanding for cooperation in tracer experiment concerning air pollution. Signed at Ottawa Aug. 23, 1983. Entered into force Aug. 23, 1983.

China

Agreement with respect to mutual exemption from taxation of transportation income of shipping and air transport enterprises. Signed at Beijing Mar. 5, 1982.

Instrument of ratification signed by President: Sept. 6, 1983.

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Beijing Aug. 19, 1983. Entered into force Aug. 19, 1983; effective Jan. 1, 1983.

Agreement extending the agreement of Sept. 17, 1980, on maritime transport (TIAS 10244). Effected by exchange of notes at Beijing Sept. 1 and 10, 1983. Entered into force Sept. 10, 1983.

Colombia

Agreement for cooperation concerning civil uses of nuclear energy, with annex and exchange of notes. Signed at Bogota Jan. 8, 1981.

Entered into force: Sept. 7, 1983.

Supersedes: Agreement of Mar. 28, 1977 (TIAS 8555).

Cook Islands

Treaty on friendship and delimitation of the maritime boundary between the United States of America and the Cook Islands. Signed at Rarotonga June 11, 1980.

Instruments of ratification exchanged:

Sept. 8, 1983.

Entered into force: Sept. 8, 1983.

Denmark

Memorandum of agreement relating to cooperation in mapping, charting, and geodesy. Signed in Washington Aug. 4, 1983. Entered into force Aug. 4, 1983.

Egypt

Agreement on the development and facilitation of tourism. Signed at Cairo Feb. 21, 1983.

Entered into force: Aug. 16, 1983.

Agreement amending the agreement of Mar. 20, 1979, (TIAS 9683) for the sales of agricultural commodities. Effected by exchange of notes at Cairo Aug. 17 and 18, 1983. Entered into force Aug. 18, 1983.

Agreement amending the agreement of Nov. 23, 1982, (TIAS 10613) for the sales of agricultural commodities. Effected by exchange of notes at Cairo Aug. 18, 1983. Entered into force Aug. 18, 1983.

TREATIES

First amendment to project grant agreement of June 27, 1979, (TIAS 9573) for canal cities water and sewerage. Signed at Cairo Sept. 12, 1983. Entered into force Sept. 12, 1983.

Second amendment to project grant agreement for Ismailia thermal power plant of May 30, 1976, as amended (TIAS 8335, 9137). Signed at Cairo Aug. 9, 1983. Entered into force Aug. 9, 1983.

Finland

Agreement extending project agreement of July 23, 1981, (TIAS 10223) for cooperation in the field of icebreaking technology. Signed at Washington May 9 and June 13, 1983. Entered into force June 13, 1983.

France

Protocol to the convention with respect to taxes on income and property of July 28, 1967, as amended (TIAS 6518, 7270, 9500). Signed at Paris Sept. 19, 1983. Enters into force on the first day of the second month following exchange of instruments of ratification.

Greece

Agreement on defense and economic cooperation, with annex. Signed at Athens Sept. 8, 1983. Enters into force no later than Dec. 31, 1983, upon exchange of notes between the parties indicating that their respective constitutional requirements have been met.

Macao

International express mail agreement, with detailed regulations. Signed at Macau and Washington May 3 and June 14, 1983. Entered into force: Oct. 1, 1983.

Morocco

Agreement amending the agreement of July 15, 1983, for the sale of agricultural commodities. Effected by exchange of letters at Rabat Aug. 26, 1983. Entered into force Aug. 26, 1983.

New Zealand

Treaty on the delimitation of the maritime boundary between Tokelau and the United States of America. Signed at Atafu Dec. 2, 1980. Instrument of ratification exchanged: Sept. 3, 1983. Entered into force: Sept. 3, 1983.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, with protocol. Signed at Wellington July 23, 1982. Instrument of ratification signed by President: Aug. 23, 1983.

Agreement relating to the limitation of meat imports from New Zealand during the year 1983, with related letters. Effected by exchange of letters at Washington Sept. 8 and 9, 1983. Entered into force Sept. 9, 1983.

Pakistan

First amendment to commodity import grant and loan agreement of Apr. 13, 1983 (TIAS 10378). Signed at Islamabad July 25, 1983. Entered into force July 25, 1983.

Philippines

Memorandum of agreement amending the agreement of Mar. 14, 1947, as amended (TIAS 1775, 9224), concerning military bases, with related note. Signed at Manila June 1, 1983. Entered into force June 1, 1983.

Senegal

Agreement regarding the consolidation and rescheduling of certain debts owed to or guaranteed by the U.S. Government and its agencies, with annexes. Signed at Washington Aug. 11, 1983. Entered into force: Sept. 13, 1983.

Solomon Islands

Agreement concerning the provision of training related to defense articles under the U.S. International Military Education and Training (IMET) Program. Effected by exchange of notes at Port Moresby and Honiara June 7 and Aug. 18, 1983. Entered into force Aug. 18, 1983.

Sweden

International express mail agreement, with detailed regulations. Signed at Stockholm and Washington Aug. 26 and 30, 1983. Entered into force Oct. 1, 1983.

U.S.S.R.

Agreement on the supply of grain. Signed at Moscow Aug. 25, 1983. Entered into force Aug. 25, 1983.

¹Not in force.

²Not in force for the U.S.

³Applicable to the Bailiwicks of Jersey and Guernsey.

⁴With reservation(s).

⁵With declaration(s). ■

CHRONOLOGY

September 1983

September 1

Secretary Shultz announces that on August 31, a Korean Air Lines Boeing 747 (KAL #007) was destroyed by a missile fired by a Soviet military aircraft. The commercial airliner carried 269 passengers and crew, including Congressman Lawrence P. McDonald [D-Ga.]. The Secretary adds that "the United States reacts with revulsion to this attack" and "can see no explanation whatever for shooting down an unarmed commercial airlines, no matter whether it's in your airspace or not." President Reagan, expressing his revulsion at the act, states that "the United States joins with other members of the international community in demanding a full explanation for this appalling and wanton misdeed."

Former President Carter, former Secretaries of State Rusk and Rogers, and former U.S. Ambassador to the OAS Sol Linowitz meet with the National Bipartisan Commission on Central America at the State Department.

Deputy White House spokesman Larry Speakes announces that President Reagan orders deployment of a new naval amphibian force to the Mediterranean. The President also orders the aircraft carrier USS *Eisenhower* to remain in the Eastern Mediterranean "for an undetermined period" ready to assist U.S. forces as needed.

Foreign Minister Yitzhak Shamir is elected to succeed Prime Minister Begin as leader of the Herut Party of Israel placing him in a favorable position to become the next Prime Minister. Prime Minister Begin had earlier announced his intention to resign.

September 2

In an emergency meeting of the UN Secretary Council, requested by the U.S., members denounce the Soviet Union for destroying KAL #007 and call the act "murder" and a "massacre."

Ambassador Robert C. McFarlane, the President's personal representative in the Middle East, meets with President Reagan to review the situation in that area.

September 3

After meeting with Ambassador Nitze, President Reagan issues a statement reaffirming his commitment to seek a successful breakthrough in the INF negotiations. Ambassador Nitze departs for Geneva to lead the U.S. delegation in the next round of talks.

U.S., U.K. mark 200th anniversary of the signing of the Treaty of Paris. In the treaty, the U.K. recognized U.S. independence and the end of the Revolutionary War.

September 4

State Department officials ask other nations to join the U.S. in steps that will make the Soviet Union "painfully aware" that its act

has outraged the whole world. The Soviets should take the following steps: admit responsibility; find and punish those who ordered the attack; apologize; pay reparations and damages to the families of the victims; and allow other countries to assist in the search for bodies and wreckage.

Heavy fighting continues between Christian and Druze militias in the Shuf mountains around Beirut to secure positions evacuated by Israeli troops. The Christian militia is driven out of Bhamdun by Druze fighters. Israel had rejected U.S. requests not to evacuate. U.S. calls on Syria to make plans for withdrawal. Deputy White House spokesman Larry Speakes says that there are still no plans to expand the role, area of operations, or mandate of the MNF in Lebanon.

The International Federation of Airline Pilots Associations (IFALPA) calls on its 61,000 member pilots to join in a 60-day ban on flights to Moscow.

September 5

In a televised address, President Reagan condemns the Soviet Union for the "Korean massacre" and plays a portion of a tape (in Russian with written English translation provided) of the Soviet pilots conversation with their ground control station. The President announces various U.S. actions against the Soviet Union.

- Nonrenewal of transportation agreements and stopping the discussions;
- Reaffirming the order, in effect since 1981, denying Aeroflot the right to fly to the U.S.;
- Cooperating with other countries and the ICAO [International Civil Aviation Organization] in ensuring the safety of civil aviation;
- With other nations, pressing the ICAO to investigate "this crime" at an urgent special session;
- Asking Congress to pass a joint resolution of condemnation;
- Suspending discussions on several bilateral, cultural, and scientific agreements that were under consideration; and
- Planning to work with the countries that had citizens aboard the plane to seek reparations.

September 7

Secretary Shultz meets with NATO foreign ministers in Madrid, and they agree on the need for allied action in the KAL incident. The Soviet Foreign Minister, at the Madrid CSCE meeting, states "the borders of the Soviet Union are sacred" and "the U.S. bears the responsibility." Secretary Shultz says "there is no weight given to human values in that kind of statement."

September 7-9

Representatives of 35 nations meet in Madrid to sign a concluding document updating the

1975 Helsinki Final Act. Secretary Shultz represents the U.S.

September 8

Secretary Shultz and Soviet Foreign Minister Gromyko meet for 2 hours in Madrid. The Secretary demands that the Soviet Union accept blame for the fate of the Korean airliner. Afterwards, he says the foreign minister's response was "totally unacceptable."

In a letter to the chairman of the Civil Aeronautics Board, President Reagan asks the board to take additional actions against Aeroflot, effective September 12, 1983:

- Suspend Aeroflot's right to sell any air transportation in the U.S.;
- Preclude U.S. airlines from carrying traffic to, from, or within the United States where an Aeroflot flight is on the ticket;
- Prohibit U.S. air carriers from selling tickets in the United States for transportation on Aeroflot;
- Direct U.S. airlines to suspend any interline service arrangements with Aeroflot; and
- Prohibit U.S. carriers from accepting any tickets or shipping documents issued by Aeroflot for air travel to, from, or within the United States.

President Reagan asks the chairman of the Civil Aeronautics Board to suspend Aeroflot's right to sell air transportation in the U.S. and prohibit U.S. air carriers from selling tickets for Aeroflot flights or accepting tickets or shipping documents issued by Aeroflot. The State Department orders Aeroflot to close its New York and Washington offices.

In Athens, the U.S. and Greece sign a new Defense and Economic Cooperation Agreement. Charge d'Affaires Alan D. Berlind signs for the U.S. and Deputy Minister of Foreign Affairs Ioannis Kapsis for Greece.

September 9

In a Moscow news conference, Chief of Staff of the Soviet Armed Forces Marshal Nikolai Ogarkov confirms that KAL #007 was shot down by two air-to-air missiles, and the decision was made by the district commander of the Soviet defense forces on the basis of standing regulations.

President Reagan proclaims Sunday, September 11, a national day of mourning for the KAL victims.

In a statement issued by the State Department, U.S. calls for an immediate cease-fire in Lebanon, warning that Druze and Christians alike "have fallen victim and are equally threatened."

September 12

State Department presents two diplomatic notes to the Soviet Embassy: one demanding compensation for the lives of U.S. nationals; the other, presented on behalf of the Koreans, demanding compensation for its losses. Both notes are rejected.

Members of the UN Security Council vote on a resolution deploring the destruction of the Korean airliner and declaring that such use of force is incompatible with the norms governing international behavior and considerations of humanity. The Soviet Union vetoes the resolution.

Two thousand additional U.S. Marines arrive off the coast of Lebanon. Hours later, three more U.S. Marines are wounded. President Reagan authorizes "aggressive self-defense" tactics to protect Marines which involves the use of naval planes and guns if necessary.

September 12-14

Prime Minister Robert G. Mugabe of Zimbabwe makes official working visit to Washington, D.C., to meet with President Reagan, Secretary Shultz, and other government officials.

September 13

Administration announces that Marines in Lebanon are now authorized to call on American naval and air power not only to defend themselves and their presence but also to defend multinational force partners.

September 14

President Reagan meets with the U.S. delegation to the ICAO council's emergency meeting. The delegation is led by J. Lynn Helms, head of the Federal Aviation Administration.

U.S. House of Representatives approves 416 to 0 a resolution condemning the shooting down of the Korean airliner as "one of the most infamous and reprehensible acts in history."

September 14-20

Portuguese President Antonio Ramalho Eanes makes a state visit to the U.S. and to Washington, D.C., September 14-17.

September 15

U.S. Senate, by a vote of 95 to 0, passes a resolution "condemning the Soviet criminal destruction of the Korean civilian airliner."

Israeli Prime Minister Menahem Begin formally resigns.

State Department announces that in a September 7 plebiscite, voters in the Marshall Islands approve a compact of free association with the U.S. Final unofficial results show an approval margin of about 60%. The next step in the termination of the trusteeship is the submission of the compact to the Congress. After approval by the Congress, the United States would take up the question of trustee termination in the UN.

At Montreal, the 33-member executive council of the ICAO votes 26 (U.S.) to 2 (U.S.S.R. and Czechoslovakia)—3 nations abstain and 2 are absent—for a resolution "deeply deploring" the destruction of KAL #007 and expressing its concern "that the Soviet Union has not acknowledged the

CHRONOLOGY

paramount importance of the safety and lives of passengers and crew when dealing with civil aircraft intercepted in or near its territorial airspace." The resolution also calls for an investigation and urges the Soviet Union to cooperate.

September 17

Soviet Government cancels plans for Foreign Minister Gromyko to attend the UN General Assembly session.

September 19-22

At Secretary Shultz's invitation, Hungarian Foreign Minister Peter Varkonyi makes a working visit to Washington, D.C., to exchange views on current issues and matters of international concern. He also met with other U.S. Government officials.

President Reagan and some congressional leaders of both parties accept compromise resolution on Lebanon that would authorize the continued deployment of U.S. Marines in Lebanon for 18 more months under the War Powers Act. The President says that he is pleased that the proposed legislation "not only supports our policies in Lebanon but now enables us to advance United States peacekeeping interests on the solid bipartisan basis that has been the traditional hallmark of American foreign policy."

Thirty-eighth annual session of the UN General Assembly begins in New York.

U.S. and the Sultanate of Oman mark 150th anniversary of the signing of the Treaty of Amity and Commerce. The treaty, signed on September 21, 1833, pledged "perpetual peace" between the two nations. Both nations, in honor of the event, hold commemorative ceremonies and special activities on September 27 and 28.

President Reagan issues a statement reaffirming his commitment to seeking a successful result in the INF talks. Earlier, NATO allies and Japan held consultations regarding the U.S. position in the talks which suggested initiatives representing significant further development of the U.S. proposal for an interim agreement and which address a number of Soviet concerns. The President instructs Ambassador Nitze to pursue these initiatives with Soviet negotiators.

September 22

House Foreign Affairs Committee approves 30 to 6 the compromise resolution that would permit continued deployment of U.S. troops in Lebanon for an additional 18 months under the War Powers Act.

September 23

Senate Foreign Relations Committee also approves compromise resolution for all U.S. Marines to stay in Lebanon.

In Beirut, four more U.S. Marines are wounded.

UN General Assembly adopts Security Council Resolution 537 admitting St. Christopher and Nevis as the 158th member state.

September 24-27

Finnish President Mauno Koivisto makes official working visit to Washington, D.C., to meet with President Reagan and other government officials.

September 25

In Damascus, Syrian Foreign Minister Khaddam and Saudi mediator Prince Band ar bin Sultan announce agreement with the Lebanese Government for an immediate cease-fire to take effect at 0600 local time the following morning. Before and after the announcement, three more U.S. Marines are wounded. State Department says it regards the announcement as only "a first step" toward the more difficult goals of bringing about a strong central government in that country and with the withdrawal of all Israeli, Syrian, and Palestinian forces.

September 26

While attending the UN General Assembly, Secretary Shultz announces that the cease-fire has "taken effect" in Lebanon. Under the terms of the cease-fire, President Gemayel is to invite leaders of Lebanon's political and religious communities to begin a dialogue on national reconciliation. He meets with the Foreign Ministers of the MNF countries who state their joint view that the cease-fire observers for Lebanon have a UN affiliation.

Following intensive consultations with NATO and other allies, including the Government of Japan, the President outlines new initiatives at the opening of the U.N. General Assembly. These initiatives elaborate on the U.S. proposal for an interim agreement and are designed to flexibly address a number of Soviet concerns. The President instructs Ambassador Nitze to pursue these initiatives with Soviet negotiators in Geneva.

- In the context of an agreement providing for equal, global limits on LRINF missiles, the United States would be willing to consider a commitment not to offset the entire Soviet global LRINF missile deployment by U.S. deployments of LRINF missiles in Europe. We would retain the right to deploy LRINF missiles elsewhere to reach the global ceiling.

- The United States would assure the Soviet Union that, in the context of an agreement involving significant reductions from current Soviet and planned NATO deployment levels, the U.S. would be prepared to apportion the reductions of Pershing II and ground-launched cruise missiles in an appropriate manner.

- The United States is prepared to consider proposals involving aircraft that are consistent with allied criteria for an INF agreement. Thus, Ambassador Nitze has been authorized to explore possible limitations on specific INF aircraft and to invite the Soviets to offer their views on how such limitations could be formulated within the framework of the President's criteria.

The President also notes that "reactions to the KAL tragedy are a timely reminder of just how different the Soviets' concept of truth and international cooperation is from that of the rest of the world." He continues "if the governments represented in this chamber want peace as genuinely as their peoples do," we can find it "by reasserting the moral authority of the United Nations."

September 27

In response to Soviet leader Andropov's charges that the U.S. seeks to use its military force to expand its influence, interfere in the affairs of others, and install systems around the world which suit the U.S., State Department, officials say that "the world will be disappointed that Mr. Andropov's response to the President's major arms control initiative at the United Nations is a threatening restatement of their long standing position that the Soviets will maintain their monopoly of intermediate range missiles in Europe. For our part, we will continue to work in Geneva for a negotiated settlement that strengthens international peace and security."

September 28

By a vote of 270 to 161, U.S. House of Representatives approve legislation that would invoke the War Powers Act in Lebanon and authorize deployment of U.S. Marines in Beirut for an additional 18 months.

President Reagan signs congressional resolution which condemns the Soviet Union for the destruction of the commercial airliner.

September 29

By a vote of 54 of 46, U.S. Senate adopts a resolution and the House agrees to accept the Senate bill by a vote of 253 to 156 that would authorize continued deployment of U.S. Marines in Lebanon for 18 more months.

Dr. Henry Kissinger, Chairman of the National Bipartisan Commission on Central America announces that the Commission will visit Central American countries Oct. 9-15 to include Panama, Oct. 9-11; Costa Rica, Oct. 11-12; El Salvador, Oct. 12-13; Guatemala, Oct. 13-14; Honduras, Oct. 14-15; and Nicaragua, Oct. 15. The Commission will meet with Government heads and high-level officials but will not meet with Salvadoran or Nicaraguan rebel groups or visit Cuba.

Egyptian President Mohamed Hosni Mubarak makes official working visit to Washington, D.C., to meet with President Reagan and other government officials. ■

PRESS RELEASES

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

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*325	9/2	Shipping Coordinating Committee (SCC), Safety of Life at Sea (SOLAS), working group on safety of navigation, Sept. 29.
326	8/31	Shultz: news conference.
327	9/1	Shultz: news briefing on downing of Korean commercial aircraft.
*328	9/1	U.S., Thailand sign textile agreement, July 27 and Aug. 8.
*329	9/2	SCC, SOLAS, working group on ship design and equipment, Sept. 20.
330	9/2	Shultz: address before Shimoda Conference, Warrenton, Va.
331	9/6	Shultz: statement on downing of Korean aircraft.
332	8/30	Bordercrossing documents for Mexicans.
*333	9/8	SCC, National Committee for the Prevention of Marine Pollution, Nov. 29.
*334	9/8	SCC, SOLAS, working group on the carriage of dangerous goods, Oct. 25.
*335	9/9	U.S. Organization of the International Radio Consultative Committee (CCIR) adopts worldwide standard for the digital coding of TV signals at the studio.
336	9/9	Shultz: remarks to print journalists, Madrid, Sept. 7.
*337	9/9	Program for the official working visit of Zimbabwe Prime Minister Robert G. Mugabe, Sept. 12-14.
*338	9/9	Shultz: remarks to TV journalists, Madrid, Sept. 7.
339	9/9	Shultz: remarks following meeting with Soviet Foreign Minister Gromyko, Madrid, Sept. 8.
*340	9/12	Program for the state visit of Portugal's President Ramalho Eanes, Sept. 14-20.

341	9/12	Shultz: address at the concluding session of CSCE, Madrid, Sept. 9.
342	9/15	Marshall Islands voters approve free association with the U.S.
*343	9/19	U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCITT), study group D, Oct. 14.
*344	9/19	Advisory Committee to the U.S. National Section of the Inter-American Tropical Tuna Commission, Oct. 6.
345	9/21	Shultz: statement before the House Foreign Affairs Committee.
*346	9/21	Shultz: Statement before the Senate Foreign Relations Committee.
*347	9/21	150 years of U.S.-Omani relations.
*348	9/22	Program for the official working visit of Finland's President Mauno Koivisto, Sept. 24-27.
*349	9/26	Program for the official working visit of British Prime Minister Margaret Thatcher, Sept. 28-30.
*350	9/28	CCITT, joint working party on integrated services digital network (ISDN), Oct. 27.
*351	9/28	CCITT, Oct. 26
*352	9/28	SCC, Oct. 26.
*353	9/28	CCITT, study group A, Oct. 25.
*354	9/28	SCC, SOLAS, working group on radio communications, Oct. 20.
*355	9/28	CCITT, ISDN technical working group, Oct. 17-21.
*356	9/28	Program for the official working visit of Egyptian President Mohamed Hosni Mubarak, Sept. 29-Oct. 3.

*Not printed in the BULLETIN. ■

PUBLICATIONS

Department of State

Free, single copies of the following Department of State publications are available from the Public Information Service, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

President Reagan
Renewing the U.S. Commitment to Peace, 38th session of the UN General Assembly, Sept. 26, 1983 (Current Policy #511).
Korean Airline Massacre, address to the nation, White House, Sept. 5, 1983 (Current Policy #507).

Secretary Shultz
U.S. Objectives in Lebanon, House Foreign Affairs Committee, Sept. 21, 1983 (Current Policy #510).
The Challenge of the Helsinki Process, followup meeting of the Conference on Security and Cooperation in Europe (CSCE), Madrid, Spain, Sept. 9, 1983 (Current Policy #508).
Japan and America: International Partnership for the 1980s, Sixth Shimoda Conference, Warrenton, Virginia, Sept. 2, 1983 (Current Policy #506).

Africa
Background Notes on Rwanda (August 1983).

East Asia
POW/MIAs in Southeast Asia (GIST, Sept. 1983).

Economics
Bankers and the Debt Crisis: An International Melodrama? Under Secretary Wallis, International Summer School of the American Bankers Association, Washington, D.C., Aug. 25, 1983 (Current Policy #505).

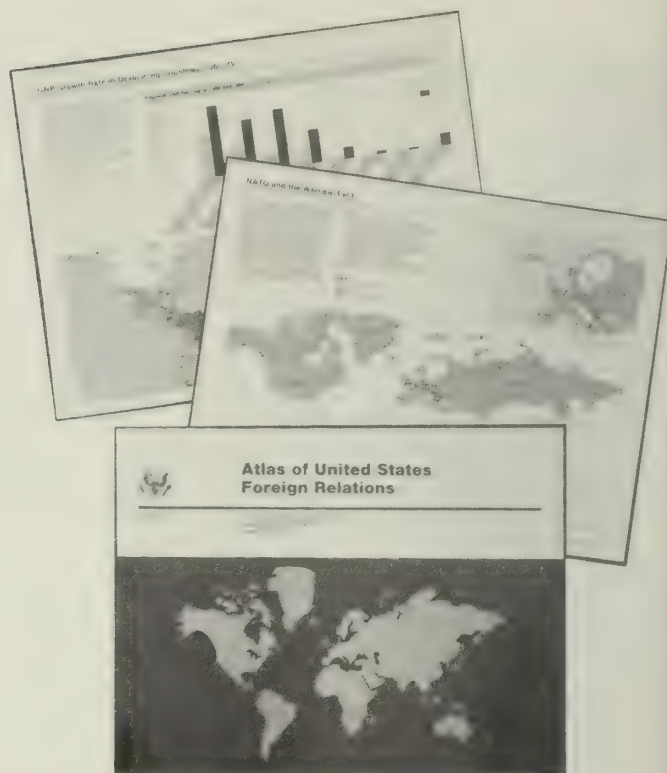
Europe
Soviet Active Measures, Department of State report, Sept. 1983 (Special Report #110).
Background Notes on Portugal, August 1983.

Latin America and the Caribbean
Economic Growth and U.S. Policy in Central America, Deputy Secretary Dam, Forum Club, Houston, Texas, Sept. 14, 1983 (Current Policy #509).
Panama and the 1979 Canal Treaties (GIST, Sept. 1983). ■

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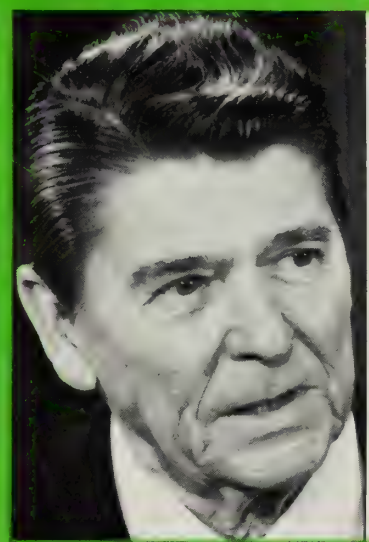
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Cover. Clockwise from top:

President Reagan

NATO logo

Marine Corps seal

Map of Grenada

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

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Secretary of State

JOHN HUGHES

Assistant Secretary for Public Affairs

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Director,
Office of Public Communication

NORMAN HOWARD

Chief, Editorial Division

PHYLLIS A. YOUNG

Editor

JUANITA ADAMS

Assistant Editor

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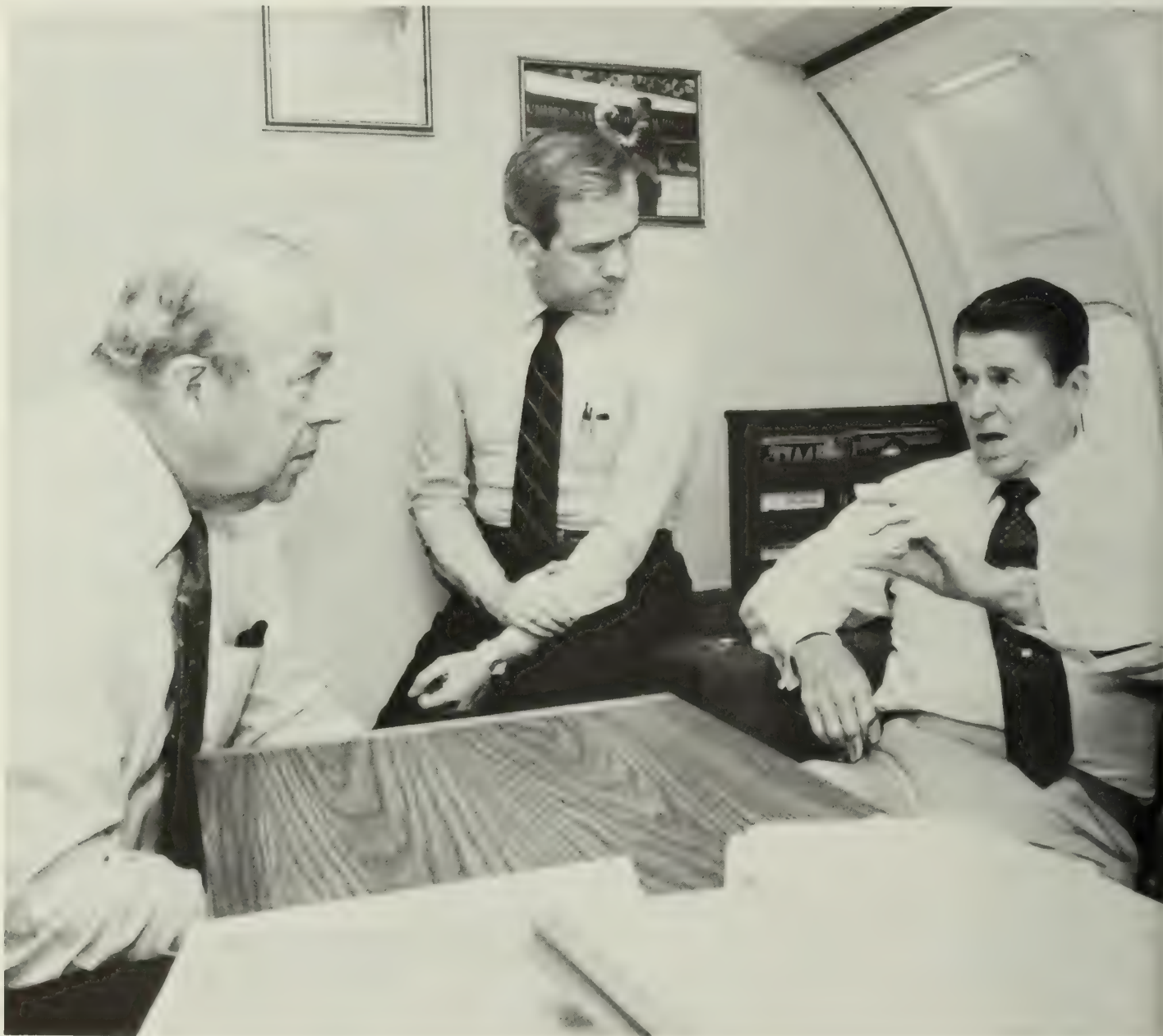
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Not only has Moscow assisted and encouraged the violence in [Lebanon and Grenada], but it provides direct support through a network of surrogates and terrorists.



Upon learning of the tragedy in Beirut on Sunday morning, October 23, President Reagan returns to Washington from Georgia. Aboard Air Force One, he directs actions to be taken on the situation by Secretary Shultz and national security adviser-designate Robert McFarlane

(White House photo by Bill Fitz-Patrick)

America's Commitment to Peace

by President Reagan

*Address to the nation,
October 27, 1983.¹*

Some 2 months ago, we were shocked by the brutal massacre of 269 men, women, and children, more than 60 of them Americans, in the shooting down of a Korean airliner. Now, in these past several days, violence has erupted again, in Lebanon and Grenada.

Lebanon

In Lebanon, we have some 1,600 Marines, part of a multinational force that's trying to help the people of Lebanon restore order and stability to that troubled land. Our Marines are assigned to the south of the city of Beirut near the only airport operating in Lebanon. Just a mile or so to the north is the Italian contingent, and, not far from them, the French and a company of British soldiers.

This past Sunday, at 22 minutes after 6—Beirut time—with dawn just breaking, a truck, looking like a lot of other vehicles in the city, approached the airport on a busy main road. There was nothing in its appearance to suggest it was any different than the trucks or cars that were normally seen on and around the airport. But this one was different. At the wheel was a young man on a suicide mission. The truck carried some 2,000 pounds of explosives. But there was no way our Marine guards could know this. Their first warning that something was wrong came when the truck crashed through a series of barriers, including a chain-link fence and barbed wire entanglements. The guards opened fire, but it was too late. The truck smashed through the doors of the

headquarters building in which our Marines were sleeping and instantly exploded. The four-story concrete building collapsed in a pile of rubble.

More than 200 of the sleeping men were killed in that one hideous, insane attack. Many others suffered injury and are hospitalized here or in Europe.

This was not the end of the horror. At almost the same instant, another vehicle on a suicide-and-murder mission crashed into the headquarters of the French peacekeeping force, an eight-story building, destroying it and killing more than 50 French soldiers.

Prior to this day of horror, there had been several tragedies for our men in the multinational force. Attacks by snipers and mortar fire had taken their toll. I called bereaved parents and/or widows of the victims to express, on behalf of all of us, our sorrow and sympathy.

Sometimes there were questions, and now many of you are asking: "Why should our young men be dying in Lebanon? Why is Lebanon important to us?" Well, it is true Lebanon is a small country more than 5,500 miles from our shores, on the edge of what we call the Middle East. But every President who has occupied this office in recent years has recognized that peace in the Middle East is of vital concern to our nation and, indeed, to our allies in Western Europe and Japan. We've been concerned because the Middle East is a powder keg; four times in the last 30 years, the Arabs and Israelis have gone to war, and each time the world has teetered near the edge of catastrophe.

THE PRESIDENT

The area is key to the economic and political life of the West. Its strategic importance, its energy resources, the Suez Canal, and the well-being of the nearly 200 million people living there—all are vital to us and to world peace. If that key should fall into the hands of a power or powers hostile to the free world, there would be a direct threat to the United States and to our allies.

We have another reason to be involved. Since 1948 our nation has

end the fighting there. So, why are we there? Well, the answer is straightforward: to help bring peace to Lebanon and stability to the vital Middle East. To that end, the multinational force was created to help stabilize the situation in Lebanon until a government could be established and a Lebanese army mobilized to restore Lebanese sovereignty over its own soil as the foreign forces withdrew. Israel agreed to withdraw as did Syria, but Syria then reneged on its promise. Over 10,000 Palestinians who

The clear intent of the terrorists was to eliminate our support of the Lebanese Government and to destroy the ability of the Lebanese people to determine their own destiny.

recognized and accepted a moral obligation to assure the continued existence of Israel as a nation. Israel shares our democratic values and is a formidable force an invader of the Middle East would have to reckon with.

For several years, Lebanon has been torn by internal strife. Once a prosperous, peaceful nation, its government has become ineffective in controlling the militias that warred on each other. Sixteen months ago, we were watching on our TV screens the shelling and bombing of Beirut, which was being used as a fortress by PLO [Palestine Liberation Organization] bands. Hundreds and hundreds of civilians were being killed and wounded in the daily battles. Syria, which makes no secret of its claim that Lebanon should be a part of a greater Syria, was occupying a large part of Lebanon. Today, Syria has become a home for 7,000 Soviet advisers and technicians who man a massive amount of Soviet weaponry, including SS-21 ground-to-ground missiles capable of reaching vital areas of Israel.

A little over a year ago, hoping to build on the Camp David accords, which had led to peace between Israel and Egypt, I proposed a peace plan for the Middle East to end the wars between the Arab states and Israel. It was based on UN Resolutions 242 and 338 and called for a fair and just solution to the Palestinian problem, as well as a fair and just settlement of issues between the Arab states and Israel.

Before the necessary negotiations could begin, it was essential to get all foreign forces out of Lebanon and to

had been bringing ruin down on Beirut, however, did leave the country.

Lebanon has formed a government under the leadership of President Gemayel. And that government, with our assistance and training, has set up its own army. In only a year's time, that army has been rebuilt. It's a good army composed of Lebanese of all factions.

A few weeks ago, the Israeli Army pulled back to the Awali River in southern Lebanon. Despite fierce resistance by Syrian-backed forces, the Lebanese Army was able to hold the line and maintain the defensive perimeter around Beirut.

In the year that our Marines have been there, Lebanon has made important steps toward stability and order. The physical presence of the Marines lends support to both the Lebanese Government and its army. It allows the hard work of diplomacy to go forward. Indeed, without the peacekeepers from the United States, France, Italy, and Britain, the efforts to find a peaceful solution in Lebanon would collapse.

As to that narrower question: What exactly is the operational mission of the Marines? The answer is: to secure a piece of Beirut, to keep order in their sector, and to prevent the area from becoming a battlefield. Our Marines are not just sitting in an airport. Part of their task is to guard that airport. Because of their presence, the airport has remained operational. In addition, they patrol the surrounding area. This is their part—a limited but essential part—in the larger effort that I have described.

If our Marines must be there, I'm asked, why can't we make them safer? Who committed this latest atrocity against them and why? We'll do everything we can to ensure that our men are as safe as possible. We ordered the battleship *New Jersey* to join our naval forces offshore. Without even firing them, the threat of its 16-inch guns silenced those who once fired down on our Marines from the hills. And they are a good part of the reason we suddenly had a cease-fire. We're doing our best to make our forces less vulnerable to those who want to snipe at them or send in future suicide missions.

Secretary Shultz called me today from Europe, where he was meeting with the foreign ministers of our allies in the multinational force. They remain committed to our task and plans were made to share information as to how we can improve security for all our men.

We have strong circumstantial evidence that the attack on the Marines was directed by terrorists who used the same method to destroy our Embassy in Beirut. Those who directed this atrocity must be dealt justice, and they will be.

The obvious purpose behind the sniping and now this attack was to weaken American will and force the withdrawal of U.S. and French forces from Lebanon. The clear intent of the terrorists was to eliminate our support of the Lebanese Government and to destroy the ability of the Lebanese people to determine their own destiny.

To answer those who ask if we're serving any purpose in being there, let me answer a question with a question. Would the terrorists have launched their suicide attacks against the multinational force if it were not doing its job? The multinational force was attacked precisely because it is doing a job it was sent to do in Beirut; it is accomplishing its mission.

Now then, where do we go from here? What can we do now to help Lebanon gain greater stability so that our Marines can come home? I believe we can take three steps now that will make a difference.

First, we will accelerate the search for peace and stability in that region. Little attention has been paid to the fact that we've had special envoys there working literally around the clock to bring the warring factions together. This coming Monday in Geneva, President Gemayel of Lebanon will sit down with other factions from his country to see if national reconciliation can be achieved. He has our firm support. I will

soon be announcing a replacement for Bud McFarlane, who was preceded by Phil Habib. Both worked tirelessly and must be credited for much, if not most, of the progress we've made.

Second, we'll work even more closely with our allies in providing support for the Government of Lebanon and for the rebuilding of a national consensus.

Third, we will ensure that the multinational peacekeeping forces—our Marines—are given the greatest possible protection. Our Commandant of the Marine Corps, General Kelley, returned from Lebanon today and will be advising us on steps we can take to improve security. Vice President Bush returned just last night from Beirut and gave me a full report of his brief visit.

Beyond our progress in Lebanon, let us remember that our main goal and purpose is to achieve a broader peace in all of the Middle East. The factions and bitterness that we see in Lebanon are just a microcosm of the difficulties that are spread across much of that region.

A peace initiative for the entire Middle East consistent with the Camp David accords and UN Resolutions 242 and 338 still offers the best hope for bringing peace to the region.

Let me ask those who say we should get out of Lebanon: If we were to leave Lebanon now, what message would that send to those who foment instability and terrorism? If America were to walk away from Lebanon, what chance would there be for a negotiated settlement producing a unified, democratic Lebanon? If we turned our backs on Lebanon now, what would be the future of Israel? At stake is the fate of only the second Arab country to negotiate a major agreement with Israel. That's another accomplishment of this past year—the May 17th accord signed by Lebanon and Israel.

If terrorism and intimidation succeed, it'll be a devastating blow to the peace process and to Israel's search for genuine security. It won't just be Lebanon sentenced to a future of chaos. Can the United States or the free world, for that matter, stand by and see the Middle East incorporated into the Soviet bloc? What of Western Europe and Japan's dependence on Middle East oil for the energy to fuel their industries? The Middle East is, as I said, vital to our national security and economic well-being.

Brave young men have been taken from us. Many others have been grievously wounded. Are we to tell them their sacrifice was wasted? They gave their lives in defense of our national

security every bit as much as any man who ever died fighting in a war. We must not strip every ounce of meaning and purpose from their courageous sacrifice.

We're a nation with global responsibilities. We're not somewhere else in the world protecting someone else's interests. We're there protecting our own. I received a message from the father of a Marine in Lebanon. He told me:

In a world where we speak of human rights, there is a sad lack of acceptance of responsibility. My son has chosen the acceptance of responsibility for the privilege of living in this country. Certainly in this country one does not inherently have rights unless the responsibility for these rights is accepted.

Dr. Kenneth Morrison said that while he was waiting to learn if his son was one of the dead. I was thrilled for him to learn today that his son, Ross, is alive and well and carrying on his duties in Lebanon.

Let us meet our responsibilities. For longer than any of us can remember, the people of the Middle East have lived

Grenada and a half dozen other Caribbean islands here were, until recently, British colonies. They are now independent states and members of the British Commonwealth. While they respect each other's independence, they also feel a kinship with each other and think of themselves as one people.

In 1979 trouble came to Grenada. Maurice Bishop, a protege of Fidel Castro, staged a military coup and overthrew the government which had been elected under the Constitution left to the people by the British. He sought the help of Cuba in building an airport, which he claimed was for tourist trade but which looked suspiciously suitable for military aircraft including Soviet-built, long-range bombers.

The six sovereign countries and one remaining colony are joined together in what they call the Organization of Eastern Caribbean States. The six became increasingly alarmed as Bishop built an army greater than all of theirs combined. Obviously, it was not purely for defense.

I believe our government has a responsibility to go to the aid of its citizens if their right to life and liberty is threatened.

from war to war with no prospect for any other future. That dreadful cycle must be broken. Why are we there? A Lebanese mother told one of our ambassadors that her little girl had only attended school 2 of the last 8 years. Now, because of our presence there, she said her daughter could live a normal life. With patience and firmness, we can help bring peace to that strife-torn region and make our own lives more secure. Our role is to help the Lebanese put their country together, not to do it for them.

Grenada

Now I know another part of the world is very much on your minds, a place much closer to our shores: Grenada. The island is only twice the size of the District of Columbia with a total population of about 110,000 people.

In the last year or so, Prime Minister Bishop gave indications that he might like better relations with the United States. He even made a trip to our country and met with senior officials of the White House and the State Department. Whether he was serious or not, we'll never know. On October 12th, a small group in his militia seized him and put him under arrest. They were, if anything, more radical and more devoted to Castro's Cuba than he had been.

Several days later, a crowd of citizens appeared before Bishop's home, freed him and escorted him toward the headquarters of the military council. They were fired upon. A number, including some children, were killed and Bishop was seized. He and several members of his cabinet were subsequently executed, and a 24-hour shoot-to-kill curfew was put in effect. Grenada was without a government, its only authority exercised by a self-proclaimed band of military men.

THE PRESIDENT

There were then about 1,000 of our citizens on Grenada, 800 of them students in St. George's University Medical School. Concerned that they be harmed or held as hostages, I ordered a flotilla of ships, then on its way to Lebanon with Marines—part of our regular rotation program—to circle south on a course that would put them somewhere in the vicinity of Grenada in case there should be a need to evacuate our people.

Last weekend, I was awakened in the early morning hours and told that six members of the Organization of Eastern Caribbean States, joined by Jamaica and Barbados, had sent an urgent request that we join them in a military operation to restore order and democracy to Grenada. They were proposing this action under the terms of a treaty, a mutual assistance pact, that existed among them.

These small, peaceful nations needed our help. Three of them don't have armies at all, and the others have very limited forces. The legitimacy of their request, plus my own concern for our citizens, dictated my decision. I believe our government has a responsibility to go to the aid of its citizens if their right to life and liberty is threatened. The nightmare of our hostages in Iran must never be repeated.

We knew we had little time and that complete secrecy was vital to ensure both the safety of the young men who would undertake this mission and the Americans they were about to rescue. The Joint Chiefs worked around the clock to come up with a plan. They had little intelligence information about conditions on the island. We had to assume the several hundred Cubans working on the airport could be military reserves. As it turned out, the number was much larger, and they were a military force. Six hundred of them have been taken prisoner, and we have discovered a complete base with weapons and communications equipment which makes it clear a Cuban occupation of the island had been planned.

Two hours ago we released the first photos from Grenada. They included pictures of a warehouse of military equipment—one of three we've uncovered so far. This warehouse con-

tained weapons and ammunition stacked almost to the ceiling, enough to supply thousands of terrorists. Grenada, we were told, was a friendly island paradise for tourism. Well, it wasn't. It was a Soviet-Cuban colony, being readied as a major military bastion to export terror and undermine democracy. We got there just in time.

I can't say enough in praise of our military—Army rangers and paratroopers; Navy, Marine, and Air Force personnel—those who planned a brilliant campaign and those who carried it out. Almost instantly, our military seized the two airports, secured the campus where most of our students were, and are now in the mopping-up phase.

It should be noted that in all the planning, a top priority was to minimize risk, to avoid casualties to our own men and also the Grenadian forces as much as humanly possible. But there were casualties, and we all owe a debt to those who lost their lives or were wounded. They were few in number but even one is a tragic price to pay.

It is our intention to get our men out as soon as possible. Prime Minister Eugenia Charles of Dominica—she is chairman of the OECS—she's calling for help from Commonwealth nations in giving the people their right to establish a constitutional government on Grenada.

We anticipate that the Governor General, a Grenadian, will participate in setting up a provisional government in the interim.

Preserving Freedom and Peace

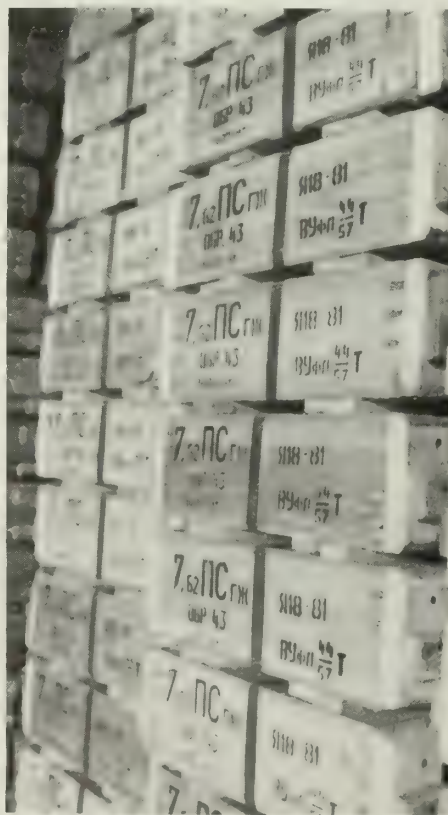
The events in Lebanon and Grenada, though oceans apart, are closely related. Not only has Moscow assisted and encouraged the violence in both countries, but it provides direct support through a network of surrogates and terrorists. It is no coincidence that when the thugs tried to wrest control over Grenada, there were 30 Soviet advisers and hundreds of Cuban military and paramilitary forces on the island. At the moment of our landing, we communicated with the Governments of Cuba and the Soviet Union and told them we would offer shelter and security to their people on Grenada. Regrettably, Castro ordered his men to fight to the death, and some did. The others will be sent to their homelands.

There was a time when our national security was based on a standing army here within our own borders and shore batteries of artillery along our coasts and, of course, a Navy to keep the seaplanes open for the shipping of things necessary to our well-being.

The world has changed. Today, our national security can be threatened in far away places. It's up to all of us to be aware of the strategic importance of such places and to be able to identify them.

Sam Rayburn once said that freedom is not something a nation can work for once and win forever. He said it's like an insurance policy; its premiums must be kept up to date. In order to keep it, we have to keep working for it and sacrificing for it just as long as we live. If we do not, our children may not know the pleasure of working to keep it, for it may not be theirs to keep.

In these last few days, I have been more sure than I've ever been that we Americans of today will keep freedom and maintain peace. I've been made to feel that by the magnificent spirit of our young men and women in uniform and by something here in our nation's capital. In this city where political strife is so much a part of our lives, I've seen Democratic leaders in the Congress join their Republican colleagues to send a message to the world that we are all



Caribbean peace forces uncovered these crates of 7.62 mm Soviet small arms in Grenada.

(U.S. Navy photo by Peter D. Sundberg)

Americans before we are anything else, and when our country is threatened, we stand shoulder to shoulder in support of our men and women in the Armed Forces.

May I share something with you I think you'd like to know? It is something that happened to the Commandant of our Marine Corps, General Paul Kelley, while he was visiting our critically injured Marines in an Air Force hospital. It says more than any of us could ever hope to say about the gallantry and heroism of these young men; young men who serve so willingly so that others might have a chance at peace and freedom in their own lives and in the life of their country.

I'll let General Kelley's words describe the incident. He spoke of a:

... young Marine with more tubes going in and out of his body than I have ever seen in one body. He could not see very well. He reached up and grabbed my four stars, just to make sure I was who I said I was. He held my hand with a firm grip. He was making signals, and we realized he wanted to tell me something. We put a pad of paper in his hand, and he wrote *Semper fi*.

Well, if you've been a Marine or if, like myself, you're an admirer of the Marines, you know those words are a battle cry, a greeting, and a legend in the Marine Corps. They're Marine shorthand for the motto of the corps—*Semper Fidelis*—"always faithful."

General Kelley has a reputation for being a very sophisticated general and a very tough Marine. But he cried when he saw those words, and who can blame him.

That Marine, and all those others like him, living and dead, have been faithful to their ideals. They have given willingly of themselves so that a nearly defenseless people in a region of great strategic importance to the free world will have a chance some day to live lives free of murder and mayhem and terrorism. I think that young Marine and all of his comrades have given every one of us something to live up to. They were not afraid to stand up for their country or, no matter how difficult and slow the journey might be, to give to others that last, best hope of a better future. We cannot and will not dishonor them now and the sacrifices they've made by failing to remain as faithful to the cause of freedom and the pursuit of peace as they have been.

I will not ask you to pray for the dead, because they are safe in God's loving arms and beyond need of our

prayers. I would like to ask you all—wherever you may be in this blessed land—to pray for these wounded young men and to pray for the bereaved families of those who gave their lives for our freedom. God bless you, and God bless America.

¹Text from Weekly Compilation of Presidential Documents of Oct. 31, 1983. ■

Lebanon

President Reagan's radio address to the nation on October 8, 1983.¹

I'm sure you're all aware of the debate during recent days and weeks with regard to our Marines in Lebanon. Congress, on a strong bipartisan basis, has passed a resolution approving their presence there for 18 months if need be. But in the debate, many questions were raised as to what they were doing there and whether their presence there was in our national interest. In the midst of all this debate, I received a letter from the father of a young Marine corporal stationed in Beirut, Lebanon.

Justly proud of his son, he enclosed a clipping from his hometown paper. It was a letter to the editor written by his son. And here's what the young corporal had to say about the Marines and whether or not there was a reason for their presence in Lebanon. His family had been sending him the hometown paper, and he'd noticed "editorials and opinions denouncing American involvement in the various troublespots of the world, particularly Central America and the Middle East."

He went on to say, "I've been keeping up with what's happening in Central America, and I have firsthand knowledge of what is happening in the Middle East. In the case of Central America, the general American consensus is to stay out, that we're getting into another Vietnam. Whenever American military forces go abroad, the average American believes that we should keep to ourselves and mind our own business. I'm not an advocate of war," he says, "as I've seen the ravages of war here in Lebanon. War is a very terrible thing. Yet when diplomatic methods fail, we must be prepared to defend and, if necessary, to die for what we believe in, for the American way of life. I do not enjoy being here in Beirut. My fellow

Marines and I miss the simple yet wonderful aspects of life back home that so many take for granted. Yet, we realize we'll be going home in a few months. But the people, of say, El Salvador or Lebanon are home. For them, there is no escape. It is our duty as Americans to stop the cancerous spread of Soviet influence wherever it may be, because someday we or some future generation will wake up and find the U.S.A. to be the only free state left, with communism upon our doorstep. And then it will be too late."

A young Marine corporal writing from Beirut, Lebanon, to his hometown paper—there's no doubt in his mind about the need for us to have a presence there. But many of us are not that sure. Many believe we are involving ourselves needlessly in someone else's quarrel and should bring our young men home and mind our own business. The corporal may not have spelled out the specifics as to why it was in our best interest to be there, but he was certainly correct in his conclusion that it is our business.

Can the United States or the free world stand by and see the Middle East incorporated into the Soviet bloc? What of Western Europe and Japan's dependence on Middle East oil for the energy to fuel their industry? Do we remember the oil embargo and the lines at our own gas stations? And didn't we assume a moral obligation to the continued existence of Israel as a nation back in 1948? I've never heard anyone in this country ever suggest that we should abandon that obligation.

A little over a year ago, I proposed a peace initiative for the entire Middle East. It was based on the Camp David accords and the UN Resolutions 242 and 338. We offered our help in bringing the Arab states and Israel together in negotiations to settle the longstanding disputes that had kept that entire area in turmoil for many years. We sought more peace treaties like the one between Egypt and Israel.

Lebanon, the site of refugee camps for a great many Palestinians, had been torn by strife for several years. There were factions, each with its own militia, fighting each other. Terrorists in Lebanon violated Israel's northern border, killing innocent civilians. Syrian forces occupied the eastern part of Lebanon. Israeli military finally invaded from the south to force the PLO [Palestine Liberation Organization] attackers away from the border. There could be no implementation of our peace initiative until this situation was resolved.

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With our allies—England, France, and Italy—we proposed a withdrawal of all foreign forces from Lebanon and formed a multinational force to help maintain order and stability in the Beirut area while a new Lebanese Government and Army undertook to restore sovereignty throughout Lebanon.

Over the course of several months, Lebanon and Israel negotiated a friendly agreement for security of the border between the two. We stand by this as a good agreement. But Syria, which had earlier agreed to withdraw if Israel did, changed its mind and today has some 5,000 Soviet advisers and technicians and a massive amount of new Soviet equipment in its country, including a

new generation of surface-to-surface missiles—the SS-21. We have to wonder aloud about Syrian protestations of their peaceful intentions.

For a year, we've continued diplomatic negotiations leading to the present cease-fire. President Gemayel is committed to a process of national reconciliation as the means to end factional fighting. The presence of our Marines as part of the multinational force demonstrates that Lebanon does not stand alone. Peace for the Middle East and a fair settlement of the Palestinian problem is truly in our national interest.

¹Broadcast from Camp David (text from Weekly Compilation of Presidential Documents of Oct. 17, 1983). ■

News Conference of October 19 (Excerpts)

Excerpts from President Reagan's news conference of October 19, 1983.¹

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Q. Regarding the recent rebel attacks on a Nicaraguan oil depot, is it proper for the CIA to be involved in planning such attacks and supplying equipment for air raids? And do the American people have a right to be informed about any CIA role?

A. I think covert actions have been a part of government and a part of government's responsibilities for as long as there's been a government.

I'm not going to comment on what, if any, connection such activities might have had with what has been going on or with some of the specific operations down there. But I do believe in the right of a country, when it believes that its interests are best served, to practice covert activity. And then, while your people may have a right to know, you can't let your people know without letting the wrong people know, those that are in opposition to what you're doing.

Q. There's growing concern about the Marines in Lebanon, and your national security affairs adviser has said that the loss of life is unacceptable and that the partition of Lebanon is unacceptable. What are you going to do about it?

A. We're going to keep on doing what we have been doing, trying to complete the plans that we launched a little more than a year ago. We know there are hazards there, and no one can feel more deeply about the loss of life and the wounding of some of our men there. We knew it was a hazardous undertaking when we joined in the multinational force. But our objective remains the same.

We have made great progress there. If you'll remember back, Beirut itself was being shelled daily in an exchange of fire that was killing literally hundreds of civilians on a daily basis, wounding others grievously, that a cease-fire followed there. A government was created. Representatives to a parliament were elected. The Israelis have withdrawn to the Awali River and have announced their intention of permanently withdrawing.

The disorders that have plagued Lebanon for some 8 years have, of course, taken over. This was one of the reasons for a multinational force, to try and have some stability while the government—and, incidentally, I left out the fact that the Lebanese Army, which has been created by this new government, and in which we've helped with training and supplies, is a fine army—not as big as it should be, for the problems it's confronted with. But the mission is to enable the Lebanese Government and its military to take over its

own country with the withdrawal of all forces. Earlier in that first cease-fire, there was a successful ousting of some 10,000 of the PLO [Palestine Liberation Organization] militia from the country.

As long as there's a possibility of making the overall peace plan work, we're going to stay there.

Q. What plans do you contemplate? How will you broaden the peace in the Middle East and bring about a reconciliation of all the parties and the restoration of the legitimate rights of the Palestinians?

A. You've named exactly the goals of the plan that I proposed a year ago last September, and it began with trying to straighten up the Lebanese situation, with the border of Israel—the northern border being violated as it was by terrorist groups, innocent people there being killed. They had a responsibility to try and defend that border.

Now an agreement has been reached between the Lebanese Government and Israel. We are doing everything we can to persuade Syria to quit being a roadblock in this process. But that was the first phase, Lebanon; then, and our intention remains the same, working with the more moderate Arab states to bring about the kind of peace with Israel that Anwar Sadat helped bring about.

Our process is following the lead that was established in the Camp David talks and the two United Nations Resolutions—242 and 338. And this is what we want to do, but, as I say, it all is kind of hinging on the resolution of Lebanon.

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Q. When I was in the Marines, the doctrine was to take the high ground and hold it and not deploy on a flat, open field like the Beirut airport. What reason is there to prevent the Marines from taking some more defensible positions in pursuit of the policy for which you've sent them there?

A. All of those things we're asking ourselves, and we're looking at everything that can be done to try and make their position safer. But you must remember, you were talking about when you were being trained as Marines for combat. And if these Marines had gone to join in the combat on the side of whatever force we might have picked, then all of those rules would apply. But they're there as part of a multinational force to try and maintain a stability. And their sector happens to be trying to maintain that airport and open it up for traffic. Airports just happen to be flat.

And we're doing everything we can and making everything possible for them to defend themselves.

Q. Does that mean that they cannot sally forth from the borders of the area to which they're assigned if they are attacked from a nearby position, whether it's high ground or not?

A. I can't answer that question right now, but I virtually daily tell our people that are to be in consultation with the men on the ground, the commanders there of those units or anything, that in keeping with our mission, that we can do to help ensure their safety.

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Q. After years of bipartisan work on a comprehensive immigration reform bill, it appears House Speaker O'Neill has successfully blocked action on it in the House and even suggested that you might veto it for political purposes. What, if anything, are you going to do to help House Republicans who are trying to free up that bill?

A. I am going to try and get, and have been supportive of, some immigration legislation for a long time. This country has lost control of its own borders, and no country can sustain that kind of position.

I supported actively and worked hard for the passage twice of the Senate bill on immigration. I will admit that the House bill—I had some disagreements with some of the structure and the form of that bill but recognized that there was a process called conference when there were differences between the two bills.

I want to sign, as quickly as possible, immigration legislation.

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Q. You said that the Syrians are being a roadblock to the situation in Lebanon. But there are analysts who say that they are deliberately foot-dragging and, in fact, harassing us and the Marines over there in order to wear you down so that you will pull the Marines out. Number one, do you agree with that assessment? Is that what the Syrians are doing? And, secondly, can you be worn down?

A. The answer to the first part of the question is that I know the Syrians are dragging their feet, but there have been other indications as to the reason for that. Syria, for many years, has talked about a thing called "Greater Syria," in which they've believed that much of Jordan and much of Lebanon truly should belong to them. And I think that they have that kind of an interest in

this, and aided and abetted by about 7,000 Soviet advisers and technicians and some pretty sophisticated Soviet weaponry, I think that they are contributing to the disorder and the trouble.

If they're doing it with the idea of wearing me down, they're going to be disappointed.

Q. Could you clarify that? What do you mean they'll be disappointed? What are you going to have the Marines doing if they escalate, for instance?

A. The Marines will always defend themselves, and we will provide that defense. But we're going to—I know that many of the Arab nations have been joining us—we're going to continue the diplomatic process that was advanced so brilliantly by Phil Habib and by Ambassador McFarlane, which brought about the present situation and the desire of the government there to now broaden its base and bring in some of the dissident groups and all. We're going to continue with that process.

But I don't think there's any way that we should stand by and just let Syria destroy what so many people want, which is peace and order there in that troubled country.

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Q. Given the uncertainty that a Presidential election would create, would you feel the Soviets would still negotiate seriously on arms control once the Presidential election heats up? Or is it a matter of achieving something between now and the time you announce, or waiting until 1985?

A. I think the Soviets are going to negotiate seriously. There is a great propaganda effort going on on their part now, because their target is—they've been encouraged by some of the demonstrations that they've helped organize throughout the world. They think maybe they could persuade our allies to turn back and not ask us for the deployment of the intermediate-range weapons. We're going to deploy, and deploy on schedule. And once they see we're going to do that, and now that they know that we're determined to build our strength and not unilaterally disarm, as we so foolishly have done over recent years, I think they're going to see that the best thing for them is to negotiate with us and in good faith.

And they may do some things, they may try, as has been rumored, walk out and things of that kind. But we'll just wait at the table, and I think they'll come back.

Q. Do you feel confident that you will get an agreement by the end of your first term?

A. By the end of this term?

Q. This term, yes.

A. I hope very much that we will. We've been at this. I realize the history of negotiations in the past has been long drawn out. But if you look at some of the negotiations in the past, maybe it was long drawn out because the longer the Soviets sat there, the more we unilaterally disarmed. And they found that just by waiting they could get things that they wanted. Well, we're not doing that. We're arming.

Q. Before the United States went into Vietnam, the French suffered a devastating defeat there by putting their troops in a saucer-shaped depression with the enemy up around the sides shooting down on them. Doesn't this appear uncomfortably similar to you to the way we are deploying our troops in Lebanon on the low ground? And how soon can we expect that we're going to redeploy them to a spot that makes more sense?

A. Right now, with the cease-fire, it isn't from high ground that they're being fired upon. Actually, much of this that has tragically taken lives there is literally coming from civilians, from radicals, in residential neighborhoods where we have always refrained from using artillery cover or anything of that kind. And when they were fired upon from the hills, that's when naval gunfire responded, and maybe the French at Dien Bien Phu in that terrible defeat didn't have a *New Jersey* sitting offshore as we do.

Q. But our Marines are still being killed.

A. I know, and, as I say, most of this from the sniper-type fire. As a matter of fact, some of the TV news accounts have carried actual interviews with the very young men who are doing this and who are claiming their right. And yet they are not even members of some of the unofficial militia; they are just individuals that are out murdering.

And we're not sitting idly by. We're looking at every option and everything that we can do that can leave us in the position to carry out the mission for which they were sent and, at the same time, make their lives safer.

Q. Iran has threatened to close the Strait of Hormuz if Iraq uses its French fighters against Iranian interests. Is the United States prepared

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to use military force to stop Iran from cutting off our oil, and do you believe we would be successful?

A. Let me just say that I don't think it would be proper for me to talk about tactics or what might be done, but I will say this: I do not believe the free world could stand by and allow anyone to close the Strait of Hormuz in the Persian Gulf to the oil traffic through those waterways.

Q. Can you say how far we'd be willing to go?

A. No. As I say, that's for them to wonder about.

Q. I want to ask you about a proposal that you are backing that's before the Senate now. I don't think they've passed it quite yet, but they're about to. It's that project for democracy. It would mean, I believe, that we would provide taxpayers' money and private sector leaders to go into other countries and decide if they have a democratic government or not. And if we think they don't, then we would turn over that government and set up a government that we like. Don't you think that would get us into a lot of wars?

A. That's not the aim of this program. What you're talking about is the thing that I spoke to the British Parliament about when I was there at the European summit. No, what we have in mind is that the Marxist-Leninists, and the World Socialist Movement, for that matter, they've been ardent missionaries for their beliefs all over the world. And we in the democracies, where free enterprise is practiced, have just sort of thought that maybe everyone could see how well we're doing and follow our lead.

No, the proposal is for people to go and be the same kind of missionaries and see if they cannot explain democracy. One of the first meetings we had in connection with that was here in this room in which people from all over the world came, and it was a session during our election year to tell them about elections and how legitimate elections could be won; not those kind where you've only got one person to vote for and you'd better vote for him or somebody'll come and get you. And it's an education program, the idea of worldwide—and pointing out the differences that those countries that have chosen—new countries, whether it's Taiwan, Singapore, South Korea—those countries that have chosen our idea, our way instead of statism, authoritarianism, or totalitarianism. Their liv-

ing standard, their prosperity, their freedom for their people is so much greater than anything the other countries have. We just want to explain to people how it works.

Q. Do you favor the 5-year program that [Defense Secretary] Cap Weinberger has recommended to you for the outer-space defense of this country?

A. Nothing has actually been presented to me as yet. I'm fascinated with reading all about it, but I haven't seen it. And I can tell you that no one has suggested any such figure in the billions of dollars that have been proposed.

All of this is simply the carrying out of what I asked for quite some time ago. And that was for us to see if there is not a defensive weapon that can stop this race in offensive weapons throughout the world that can render maybe a system of horrifying weapons obsolete. And so, they're proceeding with the research on that. But I think there's a great exaggeration of the kind of money that's being talked.

Q. Would this not create, instead of an offensive arms race, a defensive arms race between the United States and the Soviet Union?

A. Would that be all bad?

Q. That's what I'm asking you.

A. If you've got everybody building defense, then nobody's going to start a war. And that's, maybe, part of the idea. The danger that we're in today was voiced by Dwight Eisenhower in a letter to a publisher back in 1956 in which he, a man of war, said that couldn't we see that the weapons that we're building today are making victory or defeat obsolete, that we are coming to a stage in weaponry in which there can be no victory as we've always thought of it—no winner or loser in war. There can just be the destruction of the people.

And he said, when that moment arrives—and I think it has arrived—he said, then won't we have the common sense to sit down at a negotiating table and do away with war as a means of settling our disputes.

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¹Text from Weekly Compilation of Presidential Documents of Oct. 24, 1983. ■

Update on INF Talks

President Reagan's radio address to the nation on October 22, 1983.¹

I would like to talk to you today about the deep desire we share to reduce nuclear weapons and to make our world more safe. Just as important, I want you to know why, despite all our good-faith efforts, we are being frustrated in our goal to negotiate an arms reduction agreement.

No issue concerns me more and has taken up more of my time—not just in meetings with advisers but in deliberations with Members of the Congress and close and constant consultations with our allies—than this quest for a breakthrough on arms reductions. And believe me, I do so willingly, because as your President and also as a husband, father, and grandfather, I know what's at stake for everyone.

The trouble is, the obstacle to that agreement we want so dearly is not Washington, and it never has been; it's Moscow. And that's been the case in all our current arms reduction negotiations with the Soviet Union.

But today I'd like to focus on the longer range INF [intermediate-range nuclear force] missile negotiations now underway in Geneva. Some have asked, "If we do want an agreement, why are we, the United States, planning to base new missiles in Europe?" The question reflects some basic misunderstandings. It's been the Soviet Union which has been deploying such forces for a number of years, while the West watched and worried.

In 1977 the Soviets had in place 600 warheads on their longer range INF missiles. More significantly, they began adding the SS-20—a new, highly accurate mobile missile with three warheads which could reach, in minutes, every city in Europe and many cities in the Middle East, Africa, and Asia. NATO had no comparable weapons.

In October 1979, Soviet leader Brezhnev announced a balance now exists. The Soviet Union—800 warheads; NATO—zero. Some balance. It was only at this point at the end of 1979 that the NATO alliance, not the United States alone, decided the Soviets' large and growing advantage in both nuclear and conventional forces would threaten our safety. So the alliance made what was called "the dual-track decision." We

would redress the imbalance by deploying comparable weapons, while seeking an agreement at the negotiating table that would eliminate the need for deployment.

Nothing more dramatically illustrates our sincere desire for peace than our willingness not to deploy, if the Soviets would stop threatening Europe with their missiles. How did the Soviets respond? By adding one new missile every week. They now have 1,300 warheads or more, and that number is growing. NATO still has zero.

All along we've been negotiating in good faith. We asked the Soviets to consider the total elimination of these missiles. It took them less than 24 hours to answer, "Nyet." So we proposed an interim solution—some equal but lower number, and the lower the better. With knee-jerk speed, the same answer came back again, "Nyet." And it has remained the same for all our new proposals, because the Soviets insist on a monopoly of longer range INF missiles. They offer what can only be called "a half-zero option"—zero for us, hundreds of warheads for them. As I told the members of the United Nations, that's where things stand today. We will continue our efforts to make the Soviets leave the will of the world—stop stonewalling and start negotiating in good faith.

But that wish should not become father to the thought. We must look at Soviet words and deeds with a clear head and ask some long overdue questions. Why does a regime which says it seeks peace repeatedly reject equitable proposals that would preserve peace? What are we to think of Soviet threats against NATO countries—warning Turkey it could become a "nuclear cemetery," telling Scandinavian countries they are "a bridgehead for aggression," and advising West Germany if new missiles are deployed, the military threat to it will grow manifold?

These are not words of a peacemaker but of a nation bent on intimidation. It is inconceivable that any Western leader would make such crude and provocative threats.

Finally, what is the credibility of a regime which exploits peace demonstrations in the West but brutally puts down any demonstration for reduced weaponry in its own country? As President Mitterrand of France recently observed, "Pacifism is in the West, and Euro-missiles are in the East. I consider that an unequal relationship."

The values of Western civilization and the beliefs that bind free people

together are being tested. The Soviets are engaged in a campaign to intimidate the West. But it will not work. At home, bipartisan support in the Congress remains strong. And the unity of our NATO alliance will not break. Just this week, Prime Minister Craxi of Italy visited the White House and assured me of Italy's continued staunch support. Earlier this year, at the Williamsburg summit, the leaders of the industrialized nations agreed the policy is correct, fair, and should go forward. The spirit of Williamsburg is as strong as ever.

There is simply no sensible alternative to the parallel goal of deterrence

and arms reduction. We will remain at the negotiating table just as long as it takes to reach a breakthrough. But the Soviets must understand: NATO's mission is to defend Europe and preserve peace, which it has done for 34 years. And NATO will continue to meet its responsibilities. Our countries will remain united, strong, and we will protect the safety of our people.

¹Prerecorded at the White House on October 21, 1983, for broadcast the following day (text from Weekly Compilation of Presidential Documents of Oct. 31. ■

NATO Decision on Nuclear Forces in Europe

President Reagan's radio address to the nation on October 29, 1983.¹

Before getting into today's subject, I would just like to say a heartfelt word of thanks to all of you for the thousands of wires and calls that have come in, supportive of the actions of the last few days and, particularly, supportive and grateful to those young men in uniform who are performing so magnificently.

Today I'd like to talk about a very important decision that was made Thursday by the Defense Ministers of the North Atlantic Treaty Organization [see p. 24]. This decision has great importance for us and for the NATO alliance as a whole because it addresses the future size and composition of our shorter range nuclear forces in Europe.

As you know, we're negotiating with the Soviets in Geneva on the longer range missiles. The current imbalance on those systems is over 350 to zero in their favor. But with regard to the shorter range missiles, the tactical missiles, I think you'll be very pleased with today's news. But first a little background.

The nuclear forces in Europe are fundamental to our overall strategy of deterrence and to protecting our allies and ourselves. The weapons strengthen NATO and protect the peace because they show that the alliance is committed to sharing the risks and the benefits of mutual defense. Just by being there, these weapons deter others from aggression and thereby serve the cause of peace. Unfortunately we must keep them there until we can convince the Soviets and others that the best thing

would be a world in which there is no further need for nuclear weapons at all.

The alliance's goal, as General Rogers, NATO's Supreme Allied Commander for Europe, has so often said, is to maintain no more military forces than are absolutely necessary for deterrence and defense.

In December of 1979, NATO reached a decision to reduce immediately the number of shorter range nuclear weapons stationed in Europe. In 1980 we carried out that decision by removing 1,000 of these weapons. The same decision also committed the alliance to a further review of the remaining systems of this category, and that brings us to our decision of Thursday.

Drawing on the recommendation put forward by a special high-level study group, the NATO Defense Ministers decided that in addition to the 1,000 nuclear weapons which we withdrew in 1980, the overall size of the NATO nuclear stockpile could be reduced by an additional 1,400 weapons.

When these 2,400 weapons have been withdrawn, the United States will have reduced its nuclear weapons in Europe by over one-third from 1979 levels, and NATO will have the lowest number of nuclear weapons in 20 years. What this means is that the alliance will have removed at least five nuclear weapons for every new missile warhead we will deploy if the negotiations in Geneva don't lead to an agreement.

This step taken by the alliance as a whole stands in stark contrast to the actions of the Soviet Union. The Soviet leaders have so far refused to negotiate in good faith at the Geneva talks.

Vice President Bush Visits Jamaica

Vice President Bush visited Jamaica October 16-18, 1983. Following are his remarks before a joint session of parliament in Kingston on October 18.¹

Since our 1979 decision to reduce nuclear forces, the Soviet Union has added over 600 SS-20 warheads to their arsenal. Coupled with this, they offer threats and the acceleration of previous plans, which they now call "counter measures" if NATO carries through with its deployment plan intended to restore the balance.

The comparison of Soviet actions with NATO's reductions and restraint clearly illustrate once again that the so-called arms race has only one participant—the Soviet Union.

On Thursday, NATO took a dramatic and far-reaching decision, a decision that puts us a giant step along the path toward increased stability in Europe and around the world. As we reduce our nuclear warheads in Europe and of equal importance take the necessary actions to maintain the effectiveness of the resulting force, we will continue in the future what we've accomplished so well in the past—to deter Soviet aggression. We seek peace and we seek security, and the NATO decision serves both.

Let me bring you up to date on the negotiations in Geneva. Progress toward an equitable, verifiable agreement on the reduction of intermediate-range nuclear missiles has been slow to come. Most recently I proposed three initiatives which go a long way toward meeting important concerns expressed by the Soviet Union. By our actions in the talks, we have ensured that all of the elements of a mutually advantageous agreement are on the table. The Soviet Union has now advanced some additional proposals of its own. We'll study these proposals and will address them in the talks in Geneva.

Unfortunately the Soviet proposals permit them to retain SS-20 missiles while not allowing NATO to deploy its own. The proposals are also coupled with an explicit threat to break off the Geneva talks.

I hope that the Soviet Union is truly interested in achieving an agreement. The test will be whether the Soviets, having advanced their latest proposals, decide finally to negotiate seriously in Geneva. For our part, we continue to seek an equitable and verifiable agreement as quickly as possible. We will stay at the negotiating table for as long as necessary to achieve such an agreement.

¹Text from White House press release. ■

Just 2 days ago in Montego Bay, I took part in a ceremony honoring Sam Sharpe. At the time, I cited a few words of Abraham Lincoln which I would like to repeat here today: "As I would not be a slave, so I would not be a master. This expresses my idea of democracy. Whatever differs from this, to the extent of the difference, is no democracy." I repeat those words because this Parliament stands as a living symbol of the cause Sam Sharpe died for—the cause of freedom and democracy.

Today Jamaica demonstrates to the world the resilience and strength of a free people and democratic government. In many ways, this island nation—now celebrating its 21st year of independence, with its active, free, and unfettered press, its free elections and stable democratic institutions—is an example to the world. And the leaders of Jamaica have had the courage and vision to speak out in the cause of democracy far beyond your borders. In this mission, Jamaica and the United States are true collaborators.

I know that your Prime Minister has given serious and creative thought to regional programs of democratic development. We in the United States for our part hope to work with your country and others to direct the energy and creativity of free peoples to extend democratic institutions around the world. Few tasks could be more important; few causes more worthwhile. We have been passive too long in the face of tyrannical ideologies. I am confident that, in the end, truth and freedom will win out over tyranny and injustice, but the victory will not be easily won. It will demand from each and every man of good will his best efforts. But as I say, I am optimistic. I am optimistic because I think the qualities developed by freedom—imagination, compassion, enterprise, and courage—are ultimately stronger than the fear, stealth, subterfuge, and dishonesty that are the qualities instilled by oppression.

It is a great honor to be the first U.S. official invited to speak before the Jamaican Parliament, a legislative body

which like our own Congress traces its roots to the mother of all Parliaments in Britain. In an historical sense, Jamaica and the United States are brothers, united in a common experience and shared values.

Just as the United States was once a young, developing country, so, too, is Jamaica embarked along the same path. That is why, from this platform, I wish to address not only Jamaica but other countries of the developing world. I feel that from our experience of free and open development, some lessons might be drawn that could be of value to others who are even now confronting the same difficulties we once faced.

Centralized vs. Free Market Economies

It occurs to me that the postcolonial world could be looked at as a kind of global experiment in which the newly independent nations of the world tried out one of two basic approaches to economic development. Some chose to model themselves after the highly centralized and planned economies of the communist countries. Others chose a different route. They sought to promote development by giving individuals maximum economic freedom, allowing them full scope for their talents and enterprise. The division was between those who saw government and those who saw individual initiative as the engine of progress.

More than a generation later, the results are in. Prosperity is always a difficult achievement, one that requires imagination, thrift, long, hard work. Many countries that took the path of freedom had setbacks again and again. But they overcame those setbacks, and it is now clear that those countries that adopted a free-market economy and enthusiastically pursued foreign trade and investment, those countries that created a friendly climate for business and encouraged private enterprise are flourishing—they've moved firmly ahead. Many have developed so rapidly that even now they are blurring the distinction between developed and developing countries.

In Asia, for example, free markets and expansive trade policies have so transformed South Korea, Singapore, Hong Kong, and Taiwan that many call

Jamaica—A Profile



People

Nationality: *Noun and adjective*—Jamaican(s). **Population** (1980 est.): 2.2 million. **Annual growth rate:** 1%. **Ethnic groups:** African 76.3%, Afro-European 15.1%, Chinese and Afro-Chinese 1.2%, East Indian and Afro-East Indian 3.4%, European 3.2%, other 0.9%. **Religions:** Anglican, Baptist, and other Protestant; Roman Catholic. **Languages:** English, Creole. **Education:** *Years compulsory*—to age 14 in most schools. *Literacy*—82%. **Health:** *Infant mortality rate*—26.3/1,000. *Life expectancy*—65 yrs. **Work force** (703,000 employed in 1980): *Agriculture*—36.4%. *Industry and commerce*—14.9%. *Services*—32.7%. *Government*—16%.

Geography

Area: 10,991 sq. km. (4,244 sq. mi.). **Cities:** *Capital*—Kingston (pop. 600,000). *Other cities*—Montego Bay (50,000), Spanish Town (50,000). **Terrain:** Mountainous. **Climate:** Tropical.

Government

Type: Constitutional monarchy. **Independence:** August 6, 1962. **Constitution:** August 6, 1962.

Branches: *Executive*—governor general (chief of state, representing British monarch), prime minister, Cabinet. *Legislative*—bicameral Parliament (21 senators, 60 representatives). *Judicial*—Court of Appeal.

Subdivisions: 12 parishes and Kingston-St. Andrew corporate area.

Political parties: People's National Party (PNP), Jamaica Labour Party (JLP). **Suffrage:** Universal over age 18.

Central government revenue (1981–82 est.): \$825 million.

Defense (FY 1981–82 est.): 0.8% of GDP.

Flag: Intersecting golden diagonal stripes form a saltire dividing the flag into four triangles, of which the top and bottom are green and the others are black.

Economy

GDP (1981): \$3 billion. **Real growth rate** (1981): 1.2%. **Per capita income** (1981): \$1,340. **Avg. inflation rate** (1981): 10%.

Natural resources: Bauxite, gypsum, limestone.

Agriculture: Sugar, bananas, citrus fruits, coffee, pimiento, allspice, coconuts.

Industries: Bauxite, textiles, processed foods, sugar, rum, molasses, cement, metal, paper, chemical products, tourism.

Trade (1981 preliminary): *Exports*—\$960 million: alumina, bauxite, sugar, bananas, citrus fruits and products, rum, cocoa. *Major markets*—US 37%, UK 19%, Canada 4.7%, Norway 11%, CARICOM 7%. *Imports*—\$1.52 billion: machinery, transportation and electrical equipment, food, fuels, fertilizer. *Major suppliers*—US 37%, Venezuela 12%, UK 6.6%, Canada 5.4%, Netherlands Antilles 16.5%, CARICOM 8%.

Official exchange rate: Jamaican\$1.78 = US\$1.

Economic aid received (1981–82): *US aid*—\$69 million. *IMF*—\$260 million. *Multilateral organizations*—\$105 million. *Other Western countries*—\$275 million.

Membership in international organizations: UN and some of its specialized agencies (World Bank, General Agreement on Tariffs and Trade), Inter-American Development Bank (IDB), Organization of American States (OAS), Group of 77, Nonaligned Movement, Commonwealth, Caribbean Development Bank (CDB), Caribbean Community and Common Market (CARICOM), International Bauxite Association (IBA), INTELSAT.

Taken from the *Background Notes* of March 1982, published by the Bureau of Public Affairs, Department of State. Editor: Joanne Reppert Reams. ■

the area the "economic miracle of the 20th century." These once undeveloped regions—three of which are small islands with barely any natural resources—are now world economic powers in their own right.

Over the years, the state-run economies have simply not been able to keep pace. Take the example of North and South Korea. Before the division of that country, Korea's industrial center was in the north. Now South Korea out-produces North Korea four to one.

One handy comparison between centralized and free-market economies is per capita gross national product. In South Korea in 1978, per capita GNP was about two and one-half times greater than in North Korea. Looking over to Europe, we can take the example of another divided country whose two halves traveled in opposite economic directions. In 1978, per capita GNP in West Germany was over twice that of East Germany.

But, of course, one of the most important considerations in choosing a path toward economic development is the condition of the very poorest members of society. As it turns out, a free-market economy is the best answer to their needs. When countries have adopted the free-market approach, the real incomes of the poor have risen as the country as a whole became more productive and prosperous.

In the beginning, when the newly independent countries first had to confront the seemingly overwhelming problems of economic development, government planning may have seemed the only answer—a centralized control of the economy that would steer them over the rough places ahead. That experiment has been repeated around the world; not just in Asia and Eastern Europe but in Africa, too. The experiment is being conducted right now in Western Europe. Even in America, there were many who put their faith in government control of the economy.

But that faith has proven misplaced. We are coming to see that the real dichotomy in this world is not between East and West but between progress and stagnation. Some say that the Soviet Union provides an alternative model; but we don't view the Soviet role in world development as very constructive. Soviet economic aid the world over has been meager. In the Third World and beyond, we may see a massive infusion of Soviet arms, but when have we seen a Soviet Marshall Plan? When have we seen a Soviet Caribbean Basin Initiative? When have we seen a Soviet

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relief program for refugees? Even in Eastern Europe, the Soviets must look to Western loans to shore up the failing economies of those they have forced to become their so-called allies. They even have to import Western grain to feed their own people.

Of course, every country has its own unique set of problems, and every country must find its own unique solutions. There is no rigid formula for success. Every people must find the approach that is best suited to them.

But there is one universal factor in the equation of progress, and that is freedom. What is the difference between a North Korean and a South Korean? What is the difference between an East German and a West German? Why do the boat people flee Vietnam? Why did the Marielitos leave Cuba in droves? And why, on the other hand, do nations which turn from the socialist alternative experience an economic resurgence?

The difference is freedom; the liberation of the creative forces within the individual. We should never underestimate the power of those forces. In many places throughout the world, despite stagnation, individual talent and individual initiative are presently producing something of an economic miracle.

In the United States, we have also seen this equation at work. Our Administration was brought in to reverse the trend toward increasing government

regulation and to get our economy going again by removing disincentives to productive activity. In doing so, we have moved from a shrinking economy to an expanding one.

Caribbean Basin Initiative

Jamaica has recently weathered a similar, though more painful, change of course. This has not, of course, been easy. Compounding the political and economic upheavals of recent years has been a worldwide recession. But Jamaica has made a strong start at "change without chaos;" at restoring confidence in the private sector, clearing away bureaucratic and regulatory obstructions, restoring discipline to fiscal and monetary management, and removing disincentives to savings, investment, and market-oriented production.

I might mention one recent initiative of your government that shows particular promise—Agro 21. This ambitious effort provides a judicious mix of private investment opportunity and public support and encouragement that will attract commercial agricultural investors and technology, bring fallow or underutilized lands into production, and create new agricultural export opportunities. My government is pleased and eager to support this effort—a most important initiative with which to launch Jamaica's third decade of independence.

More broadly, it is our hope that the measures we have undertaken as part of the Caribbean Basin Initiative, by opening the U.S. market further to Jamaican exports, will complement your own efforts. Both your government and our Administration lobbied hard for the Caribbean Basin Initiative. We feel that it will be enormously helpful to the Jamaican economy, and that it will offer significant economic opportunities to other Caribbean countries.

The Caribbean Basin Initiative emphasizes private enterprise and recognizes that private investment drives development. By harnessing normal market forces to foster economic growth appropriate to the region, the Caribbean Basin Initiative should attract capital and create employment opportunities on a lasting basis. It is an approach that creates opportunities without dependence—trade, not aid.

We in the United States are heartened by the great strides Jamaica has made in the last few years. In spite of pressing difficulties, you have insisted on restoring the essentials of economic development to their rightful place. Freedom is not the guarantor of abundance, but it is the means—the only means given to us on this earth. Jamaica has a difficult but exciting challenge before it; it is a challenge, I hope, that our two nations may meet together.

¹Text from the Vice President's Office of the Press Secretary. ■

Arms Control and Reduction Negotiations

WHITE HOUSE STATEMENT, OCT. 11, 1983¹

While threats to disrupt the Geneva talks have consistently been part of Soviet propaganda tactics designed to undercut support for planned U.S. INF [intermediate-range nuclear forces] deployments to Europe, the Soviets have not asked for a recess either in START [strategic arms reduction talks] or INF talks.

For our part, the United States has made clear that we will stay at the negotiating table in Geneva. We will continue to work for progress, and if the deployment of Pershing and ground-launched cruise missiles has to begin because we have not reached an agreement in the INF negotiations, we will

remain at the negotiating table thereafter. In that event, if an equitable agreement to reduce or eliminate U.S. and Soviet LRINF [longer range intermediate-range nuclear force] missiles can be reached, the United States stands ready to halt its deployments or reverse them.

I should point out that the United States has continued to negotiate with the Soviets despite the fact that Soviet deployment of SS-20s has continued unabated. Over 100 Soviet SS-20s with over 300 warheads have become operational since the negotiations began in November 1981.

¹Read to reporters by the principal deputy press secretary to the President, Larry Speakes (text from Weekly Compilation of Presidential Documents of Oct. 17, 1983. ■

The Soviet Role in Asia

by William A. Brown

Statement before the Subcommittees on Europe and the Middle East and on Asian and Pacific Affairs of the House Foreign Affairs Committee on October 19, 1983. Mr. Brown is Deputy Assistant Secretary for East Asian and Pacific Affairs.¹

The Administration welcomes this opportunity to testify today before the House Subcommittees on Europe and the Middle East and on Asian and Pacific Affairs concerning the Soviet role in Asia. Only a handful of issues has as high a priority in our foreign policy, or, indeed, in that of the Soviets, as events in this broad arc of nations stretching from the Pacific Ocean to the Persian Gulf. The region is of rapidly increasing importance to both East and West in terms of security, trade, and political development.

Soviet Foreign Policy Style

Soviet policy toward this vast area comprehends a diverse mixture of ethnic, religious, cultural, and political patterns and is itself diverse. And although it would be difficult to identify a unified Soviet perspective or strategy for the entire region, we can speak of a distinct Soviet style in handling problems which arise here and, indeed, everywhere, when the U.S.S.R. perceives its interests are engaged.

A few weeks ago this style was revealed with a clarity rarely seen in international affairs. Once in a very great while an event will occur which cuts through all ambiguities and provides the world with an unvarnished view of a state's motivations and essential character. The tragedy of Korean Air Lines (KAL) flight #007 was such an event. This incident is striking because it symbolizes, at one stroke, so much that is wrong about the character of Soviet policy toward its Asian neighbors—the heavy emphasis on military intimidation, the easy resort to force, the absence of any sense of trust, the inability to communicate, and the paranoia that exists just below the surface of an unconvincing rhetoric of peace and good will.

It also highlights a continuing Soviet frustration: Moscow's inability to convert its impressive and growing military presence in Asia and the Pacific and Indian Oceans into a coherent role in a

regional community through which the Soviets could project their political and economic influence. (Only in India can Soviet nonmilitary diplomacy be said to be really effective.) In a sense, Soviet reliance on military power and use of force is undermining these broader goals and making it more, rather than less, difficult for the U.S.S.R. to achieve the status and influence in Asia which it so clearly desires.

This failure is serious because it is clear that the Soviets assign Asia a priority in their foreign policy second only to Europe and are devoting increasing resources of every kind to consolidate the U.S.S.R.'s position as an Asian power.

Soviet diplomatic weakness in Asia has been accompanied, however, by an unprecedented military buildup aimed at the United States and its friends and allies. The U.S.S.R. can now rapidly deploy large naval and air forces throughout the Pacific and Indian Oceans, which for the first time pose a significant direct conventional threat to U.S. forces, facilities, and lines of communication and supply. So while we should not assess the U.S.S.R.'s position in Asia without noting the very real problems Moscow faces, we cannot afford to be complacent, especially given the impressive power it can deploy in the region.

Asia is important to the Soviets for several reasons. Three-quarters of the U.S.S.R. is in Asia, and one-third of the Asian landmass is Soviet territory. Some 50 million people, or about 20% of the Soviet population, are Asian. And a major thrust of Russian history for the last several centuries has been an expansion of the Russian, and then the Soviet, empire to the East. Today, much of the hope for improving the Soviet economy depends upon tapping the rich mineral and energy resources of the Soviet Far East. In addition, ideology and nationalism impel a Soviet assertiveness in Asia as elsewhere, as well as a more general striving, as one high Soviet official has put it, to see that no problem, anywhere, can be solved without Soviet participation.

Moreover, the Soviets realize that their presence in Asia is inseparable from their global strategic position. They remain aware of the possibility that, in a general conflict, the Soviet Union might have to fight a two-front war. Thus, the Soviets seek a military

presence in Asia to intimidate all possible opponents. Besides matching or surpassing U.S. military capabilities in the area, Moscow strives to deter China from becoming a major military power, especially one closely linked to the industrial democracies. It seeks as well to discourage Japanese self-defense efforts and to weaken Tokyo's alliance with the United States and growing ties with China. Its greatest concern is that these three nations might be developing a pattern of cooperation on security issues which will isolate the U.S.S.R. in a permanently disadvantageous military position in Northeast Asia.

In other parts of Asia—where their security concerns are not quite as acute as they are in Northeast Asia—the Soviets, nevertheless, have attempted to create conditions unfavorable to the development of political and economic arrangements which they cannot dominate or control. Given its tendency to apply manipulative solutions to such problems, Moscow has generally followed an opportunistic strategy of maintaining and exploiting local tensions, projecting influence through supplies of arms and military advisers, and expanding its own direct military presence.

The Soviets have played upon Sino-Vietnamese differences, for example, to install themselves in Indochina. ASEAN [Association of South East Asian Nations] efforts to achieve a political settlement in Kampuchea have been met with intimidation. They have exploited Indo-Pakistani tensions, and the war between Iran and Iraq as well, to expand their influence in New Delhi and Baghdad through arms supply relationships. And Moscow has acted with direct armed force in neighboring Afghanistan in an effort to achieve the dominance and control it desires.

Soviet Weaknesses

But despite the heavy commitment of military resources to the region, the Soviets must be disappointed with the overall results. For this reliance on armed force has only thrown Soviet weaknesses into vivid relief. The truth is that a growing stress on Soviet military capabilities has been matched by the atrophy of political and economic instruments of foreign policy. Soviet trading relationships with Asian countries have declined in the last two decades: Moscow's share of total Japanese trade is proportionally less now than it was in 1960, and Sino-Soviet trade is drastically reduced from the 1960 level, despite a recent upturn.

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Politically, the Soviet Union has never achieved the influence it held in Asia during the 1950s, when both China and North Korea were pro-Soviet and pliant and anti-Western feeling in the aftermath of colonialism was running at high tide. Since then, China has been transformed into an adversary cultivating ties with the West; Japan has become a major bulwark of the Western economic system and has deepened its political and security relationships with the United States; and interest in the Soviet model has practically disappeared from the region. Even North Korea has closer ties with Beijing than with Moscow and has openly criticized both the Vietnamese invasion of Kampuchea and the Soviets' own adventure in Afghanistan. Although Pyongyang belatedly gave grudging support to Moscow's position on the KAL incident, and Moscow has continued to signal its desire to improve relations with North Korea (even, initially, in the wake of the Rangoon bombing), the basic wariness in the relationship seems to have little abated.

All Soviet diplomatic initiatives—confidence-building measures, collective security schemes—are routinely met with suspicion, while Soviet diplomats themselves are expelled for espionage with embarrassing frequency from nations within the region. In all the newly independent Pacific island states, governments have refused to receive Soviet diplomatic missions. Worst of all from the Soviet perspective, Soviet efforts have totally failed in their primary objective of weakening U.S. security ties and political and economic links with Asian countries.

In all of Asia—if one excepts Moscow's Mongolian ally which is completely subordinate—only Vietnam has institutionalized its relationship with the U.S.S.R. through such actions as membership in the Council for Mutual Economic Assistance and providing the Soviets with major military bases. There is strong evidence that the Soviet success here has been achieved only because of Hanoi's profound security and economic needs. Should Hanoi eventually turn from a predominantly militaristic foreign policy, it is doubtful it would continue to choose such exclusive dependence on the U.S.S.R.

Soviet political weakness in Asia and the Pacific also results from the strength of the region's noncommunist nations and the limited number of tensions which Moscow finds to exploit there. While most Soviet Asian associates—North Korea, Vietnam, the

puppet regimes in Kampuchea and Afghanistan—are isolated, locked in tense confrontations with their neighbors, and suffering from economic stagnation, the pro-Western nations of Asia have developed broad and effective diplomatic and trading relations throughout the world and enjoy, collectively, the world's most impressive record of economic growth.

Politically, Asia now has largely passed through its era of decolonization and revolution and has entered into a period when most of the nations of the region are able to maintain the sort of political stability and economic development which make them immune to the pressures the Soviets traditionally bring to bear. The impressive unity and economic achievements of the ASEAN nations are especially notable in this regard.

Moreover, Soviet use of force in other areas has given Moscow a triple liability in pursuing its adventurist policies in Asia. Heavy Soviet commitment of military assets to Afghanistan and Eastern Europe limits Moscow's ability to expend resources elsewhere. In addition, Moscow's continued inability to work its will in places like Poland or Afghanistan brings into question all of its claims about the historical inevitability of Marxism and its ability to maintain control over present clients, much less manage new ones. Finally, Soviet militarism brings into being the very thing which it is intended to prevent: a widely shared determination to resist Soviet advances and a tendency for otherwise very disparate nations to cooperate in achieving this objective.

The Limitations of Its Policy

Recent Soviet behavior in Asia—and, in particular, Moscow's handling of several key countries—demonstrates the limitations of its predominantly militaristic and opportunistic foreign policy.

China and Japan. For instance, the security imperatives of Northeast Asia mean that this area is perhaps the number one priority of Soviet policy throughout the entire region. As I stated earlier, a primary objective for Moscow is to retard the development of both Chinese and Japanese defense capabilities and to prevent any further development of U.S. security arrangements with these two countries—as dissimilar as these links are. Yet, the Soviets have undermined this very goal by their steady military buildup in Northeast Asia, the KAL shootdown, and their blatant (but so far unsuccess-

ful) attempts to intimidate the Japanese with bristling belligerence.

The Soviets have not been totally insensitive, of course, to the uses of diplomacy in achieving their ends, but there continues to be an inability or unwillingness to follow through with their initiatives. With the Chinese, for instance, Moscow has been quick to exploit Sino-American tensions over Taiwan and internal Chinese developments to initiate formal talks on an improvement in relations. But after several sessions, Moscow apparently has still refused to move beyond atmospherics and to deal with the core problems of security and Soviet behavior the Chinese have raised. And the U.S.S.R. has not slackened its own military buildup along the Chinese borders one iota. Under such circumstances it is difficult to imagine a fundamental improvement in Sino-Soviet relations because the U.S.S.R. continues to pose such a visible security threat to the People's Republic of China. And the Chinese must know better than most what history has taught about dealing with the Soviets: attempts to reach accommodation with Moscow without some counterweight to its military strength can only be bought on Soviet terms. Obviously, that situation will remain an unattractive one for Beijing.

In the case of Japan—our foremost ally in Asia—Soviet intransigence over the status of the occupied northern territories, Soviet threats to make Japan a nuclear target, and the high level of abuse directed at the Nakasone administration have all tended to reinforce growing Japanese alarm about the rapid Soviet military buildup and Moscow's intentions in the region. Moscow has continued to show an interest in involving the Japanese in the economic development of Siberia but, economic considerations aside, seems not to understand that the negative climate it has created in the bilateral relationship with Tokyo destroys confidence that such economic cooperation could work.

Both China and Japan have remained unimpressed by Soviet President Andropov's recent offer not to redeploy Soviet SS-20 missiles from Europe to the Far East. The real issue, as officials of both countries have noted, remains the existing and ongoing SS-20 deployments in Asia, which the Soviets have not offered to reduce in any way and which they would be free to continue under their current INF [intermediate-range nuclear forces] proposals.

The Korean Peninsula. The Korean Peninsula presents a complicated situation for the Soviets. They are probably minimally satisfied for now with the status quo, inasmuch as any change could redound against Soviet interests. A renewed conflict, for instance, could bring an unwanted confrontation with the United States. Any political movement or realignment could produce a more pronounced eclipse of Soviet by Chinese influence in Pyongyang. A more powerful North Korean regime, or any Korean regime which dominated the entire peninsula, might prove more assertive and less amenable to Soviet influence. On the other hand, Moscow knows that North Korea is quickly approaching a leadership transition and that it will have to handle Pyongyang very carefully if it is not to lose ground to the Chinese who, unlike the Soviets, have already acknowledged the younger Kim as his father's successor. This, in fact, is probably behind recent Soviet gestures to improve ties with North Korea.

With regard to the Republic of Korea (R.O.K.), the Soviets realize that long-term trends indicate the growing economic and political importance of the R.O.K. in Asia. Their recent cautious approaches to Seoul—allowing Soviet journalists and cultural officials to travel there for international conferences—are an acknowledgment of Moscow's interest in developing some contacts with the south. Yet again, such subtle diplomatic gestures are vitiated, as we have seen, by the easy Soviet resort to military force in settling problems in the region.

Vietnam. The U.S.S.R. has used military assistance to develop its important relations with Vietnam. In fact, the relationship between the two countries is largely one of mutual military convenience. Hanoi receives support for its adventure in Kampuchea and a counter to Chinese pressure. For the Soviets, the military use of Vietnamese facilities and the diplomatic penetration of Southeast Asia they have achieved through Hanoi are of considerable strategic importance. The bases allow the Soviets not only to monitor U.S. naval and air operations in the region but also to extend Moscow's military, especially naval, reach from home bases in the Soviet Far East through Southeast Asia to the Indian Ocean and the Persian Gulf. At the same time, the Soviets have been able to establish a military presence on China's southern flank and to demonstrate to other parties that the once remote U.S.S.R. is

now a military force to be reckoned with throughout every corner of the region.

But there have been costs to the Soviets in Vietnam as well. Their combined aid to Hanoi now runs to \$3-\$4 million a day. Moreover, Vietnamese policies in Kampuchea have served only to unify ASEAN, strengthen its links with the West, and cause it to take on a more visible political tincture to counter Hanoi's domination of Indochina. Obviously, the Soviets can try to use Vietnam to intimidate ASEAN—as a visiting ministry of foreign affairs official recently did when he hinted that ASEAN's attitude toward Hanoi could lead to Vietnamese assistance to local communist insurgencies—but so far such tactics have backfired. And if the polarization in Southeast Asia continues, Moscow may again find itself diplomatically isolated and unable to convert its substantial military assets into useful political influence with the most vital nations in the area.

Afghanistan. The invasion of Afghanistan and the continuing presence there of 105,000 Soviet troops have brought Soviet military power 400 miles closer to the Persian Gulf, improving Moscow's military access to the entire region. At the same time, this use of naked military force has complicated Soviet relationships with every country in South Asia and the gulf region and increased regional awareness of the Soviet threat.

India and Pakistan. For more than 20 years the Soviet Union has capitalized on India's perceived security needs, as well as a convenient fit between the Soviet and Indian economies, to build what is perhaps Moscow's most important relationship with a non-Marxist state. In return, India has been attentive to Soviet interests, formally recognizing the Heng Samrin regime in Phnom Penh and avoiding public criticism of Soviet policy in Afghanistan. However, Soviet actions in Afghanistan have disturbed this arrangement to the extent that India has felt obliged to express its unhappiness with the continuing Soviet occupation of that country.

While close Indo-Soviet ties have been a valuable asset for India in its open difficult relations with Pakistan, Moscow has almost always tried to maintain a separate relationship and, at least, some influence with Islamabad largely independent of its ties with New Delhi. The invasion of Afghanistan has seriously hampered the Soviets in this regard. And if the Soviets had calculated that their presence in

Afghanistan would make Pakistan more compliant to Moscow's will, they have discovered that their invasion has actually increased Islamabad's support in both the West and the Islamic world, enabling Pakistan to play a major role in the United Nations and elsewhere, undercutting Soviet efforts to consolidate their occupation.

Iran and Iraq. Afghanistan also has contributed to the erosion of Moscow's relations with the fundamentalist Islamic regime in Iran. After the hostage incident and the severing of Tehran's relations with Washington, the Soviets enjoyed the best opportunity in nearly a quarter century to improve their own position in this strategically important country. Nevertheless, their performance in Afghanistan, arms supplies to the Iraqis, their identification with the Communist Party of Iran, and familiar problems related to expulsion of Moscow's diplomats for espionage have all combined to place serious strains on the Soviet-Iranian bilateral relationship.

Iran remains, however, the most vulnerable place in the entire region for new Soviet inroads based upon exploitation of regional tensions and instability and the direct application of military force. Given the unpredictability of events after the passing of Khomeini, as well as Iran's internal frictions and international isolation, the Soviets may find opportunities in the future, as they have found in the past, to interfere directly or through surrogates in Iranian affairs. Our own alienation from Tehran, Soviet proximity, and the dislike of all Iran's neighbors for the fundamentalist regime may make it very difficult to counter such Soviet moves or assist the Iranians in doing so.

The old Soviet game of exploiting conflict has not worked well to bolster its position in other areas of the gulf either. The Iraqis clearly are concerned about too great a dependence on the Soviets, despite their present need for Soviet arms. The moderate Arab states of the Persian Gulf have generally reacted to the Soviet invasion of a fellow Islamic nation and involvement in the Iran-Iraq conflict with concern. The major effect appears to have been to reaffirm the conviction by most of these countries that the Soviet Union must be denied access to their territory. Of all the Arabian Peninsula states facing the gulf, only Kuwait has diplomatic relations with the U.S.S.R.

True to form, the Soviets probably calculate that a continuation of the Iran-Iraq conflict—especially with no clear winner—would serve to weaken all

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regional states and make them more susceptible to Soviet manipulation. It keeps the Iraqis, dependent on Soviet arms, on a short leash and demonstrates to the Iranians that the U.S.S.R. is a force to be reckoned with. It also keeps the smaller Persian Gulf states uneasy and stimulates talk of a Soviet role in balancing forces in the region. This game carries some dangers for the Soviets, especially because of the unpredictability of Iran; but, on balance, turmoil serves Soviet purposes well. Perhaps this fact explains why Moscow and its allies are the primary arms suppliers to both belligerents.

Soviet Influence and U.S. Policy

I believe that this summary of Soviet policy in Asia and the Pacific demonstrates that, despite the dramatic increase of Soviet military capabilities throughout the area and undoubted capacity to exploit opportunities, Moscow's political influence with individual governments is very shallow, uneven, and imbalanced in the extreme. The situation varies from country to country, of course, and potentially short-term success stories such as the Soviet relationship with Vietnam are notable exceptions to the general rule. Nevertheless, there are serious weaknesses, as I have attempted to show, in the Soviet's ability to build and sustain long-term relationships in the region or to participate effectively in Asian political or economic arrangements. This is especially true in East Asia, where a community of interests—as yet mostly economic but fraught with lasting political significance—is quickly emerging. The Soviets and clients such as Vietnam are being left out of these developing relationships, while the United States and its closest allies in the area—Japan, Australia, and New Zealand—are very much a part of these trends.

The long-term injury to Soviet interests of this voluntary exclusion from the peaceful political and economic life of Asia should not be underestimated. It may not be impossible to imagine Moscow gaining some important tactical advantages—especially in use of Vietnamese facilities and exploitation of developments in the Iran-Iraq conflict—through further application of its familiar militaristic approach. But it is hard to see how the Soviets can achieve a meaningful permanent role in the rich economic and political life of most of this region without a fuller and richer diplomacy of their own. The longer the

Soviets wait, the more difficult it will become for them to develop constructive and broad relationships with vital nations such as Japan, South Korea, Australia, New Zealand, or the members of the ASEAN grouping. Yet without such connections, Soviet influence in Asia is almost wholly dependent on military power, and this sort of influence—although significant—is very limited, indeed.

It is limited first because military relationships last only as long as the tensions and conflicts which bring them into being, and Asia is one region where the trends are toward peace and stability and away from revolution and war. Moreover, it is limited because this Administration is determined that the Soviets shall not acquire the dominant military position in Asia that they seek. We challenge the Soviet right to military domination because we wish to live in peace. But we are confident that we and our allies throughout the region have the unity and resources to protect our interests and match Soviet military capabilities at any level Moscow may choose. The United States also realizes that, although every nation must provide for its own defense, we have a special responsibility as the only country which can counter the provocative Soviet nuclear deployments aimed at our Asian allies and friends and, more importantly, the only nation which can negotiate with the Soviets for meaningful reductions.

We recognize, as well, our responsibility to maintain sufficient military power in the region to constrain Soviet adventurism and underline our commitment to remain an Asian power. In a decade, the strategic balance in military power has shifted from one of clear American superiority to one in which the balance has been described by senior military officers as too close to call. In this context, Asian and Pacific nations are closely watching U.S. intentions and performance in Asia to determine the extent of our long-term commitment to a major regional security role. Their risk/benefit analysis will be based on their perception of U.S. will and capacity to balance Soviet military power in their region at whatever levels Moscow chooses to maintain. Their perception of our willingness to do this is likely to be realistic and based on demonstrated U.S. efforts to enhance its strategic and conventional forces, as well as our security and economic assistance programs designed to assist them in attaining greater self-sufficiency.

This is even more so in the face of continued demonstrations of force by the U.S.S.R. throughout the area—in the continued assault on the people of Afghanistan, in the use of chemical weapons there and in Indochina, and in the wanton violation of international standards of morality in the civilian air corridors which crisscross the region. We are aware that if we permit the military balance in Asia and the Pacific to tip too far against the West, the U.S.S.R. will be able to convert armed force into political influence and dominance.

We do not intend to let this happen. Our firmness on this point is crucial because the very contrast between the successful Soviet military buildup and Moscow's political and economic failures may result in a greatly increased danger of military confrontation in the region if the U.S.S.R. concludes that force is successful and opts for even greater reliance on military intimidation as its principal geopolitical instrument. With this in mind, many of our Asian friends have indicated privately that the future peace of Asia rests on our commitment to balance the Soviet threat. We must maintain our determination and ability to do so if we are to continue to enjoy a situation in Asia favorable to U.S. interests.

But we also are mindful of where our real strengths in Asia reside. As important as our own military posture is, our strength is not in arms alone but in our cultural and political ties with Asia, the interdependence of the great Asia-Pacific trading community of which we are a part, and the bonds which a talented Asian-American citizenry have forged between the New World and some of the oldest and most sophisticated civilizations on earth.

Our own foreign policy in Asia is designed to develop these strengths into broad multifaceted relationships which will transcend considerations of tactical convenience and create a lasting community of common interests between the United States and the nations of Asia.

To give but one example, our still developing relationship with China is an event of momentous importance to both countries and to the stability of East Asia. We are, of course, aware of certain perspectives we share with the Chinese concerning Soviet activities in the region. We also recognize that a certain degree of cooperation in security matters could be natural and mutually beneficial as the relationship with China evolves. But the United States will neither press this possibility nor make it

The Magic of the Market at Home and Abroad

by W. Allen Wallis

Address before the Chamber of Commerce of San Francisco on October 20, 1983. Mr. Wallis is Under Secretary for Economic Affairs.

To set the scene for my remarks, I would like to make a quick world survey of some recent news stories:

Dateline—Moscow. Studies of the Soviet economy reveal that about 25% of all farm produce comes from private land but only 4% of the land under cultivation is private.

Dateline—Maputo, Mozambique. The government has announced "operation production," designed to reverse the enormous influx of rural dwellers into urban areas. The Interior Minister is quoted as saying: "Those who do not work, eat—while honest citizens who do work have nothing to eat." He added "While workers are at their jobs, black marketeers and other unproductive individuals spend their days in Maputo's ubiquitous food lines, buying up what is available and reselling it at speculative prices." These "unproductive individuals" are being rounded up and transported to remote rural areas.

Dateline—Athens, Greece. Agriculture, Finance, and Foreign Ministers of the European Economic Community met again to resolve the budget crisis caused by the farm subsidy budget, nearing \$20 billion for 1983. The subsidies are required to make surplus EC agricultural products competitive in world markets.

Dateline—Washington, D.C. On the 10th anniversary of the oil embargo, Americans recall the winter of 1973-74 and the encore in 1979 when they waited long hours in line to buy gasoline.

Dateline—Houston, Texas. Continental Airlines files for reorganization under the bankruptcy statutes. A Civil Aeronautics Board (CAB) study shows that, at Continental, labor's share of total cost was about double that of the new "post deregulation" carriers. Another CAB study revealed that typists working for airlines in 1980 were paid 41% more than typists nationally.

Now, what do the five stories have in common? Rather than solicit your answers, I'll give you mine. The answer is: the magic of the market. I use this

phrase advisedly. President Reagan has referred to "the magic of the market" on several occasions when speaking to international meetings. The first time was the 1981 annual meeting of the International Monetary Fund. I am told on good authority that he added this phrase in his own hand to the draft that had been prepared for him. He repeated it, and elaborated on the concept it stands for, at the North-South summit meeting held in Cancun, Mexico, in October 1981; then, again, when he spoke to the World Bank meetings last month in Washington.

The President's phrase—the magic of the market—has come in for considerable derision among those who don't want to accept it and for some grumbling among those who know it's true but don't want to advertise the fact. In Washington there is a large group who wince at the phrase—some because they don't believe it, some because they fear others will take offense. But all of my examples show what happens when governments superimpose their own prestidigitation and slight-of-hand for the magic of the market.

The magic of the market is fundamental to any efficient economic system. Tonight, I want to take a look behind the magic, at the very real and very simple system that makes it work. Then, I will turn to the argument, fashionable in some quarters, that the market has failed and explore the trendy remedy that goes by the name of "industrial policy." Finally, I will look briefly at the "ultimate remedy," international industrial policy, which would be a remedy worse than any disease.

The Price System

The "magic of the market" is much more than a colorful phrase. Just as rabbits do not suddenly materialize from a hat, so the gas lines, or the surplus production, or the "unproductive individuals" in those news stories did not materialize from thin air. Just as the elephants did not vaporize on the David Copperfield television special, so Continental's passengers or fertility on 96% of Soviet lands did not simply disappear. But no one guided or directed any of these events, just as no one decreed that a mountainside on the coast of China would become a major exporter of tex-

the centerpiece of our bilateral contacts with Beijing simply because we wish that relationship to rest on a far broader, firmer foundation than a common reaction to Soviet policy. Instead, we will work for a balanced development of economic, political, and people-to-people contacts with China and encourage China's greater participation in the regional and international arrangements which we support. We are convinced that only such a far-sighted approach will sustain U.S.-Chinese ties over the long term. And such an approach should also provide an even better basis for security cooperation if that should seem desirable to both sides in the future.

This prescription is good medicine for our more traditional relationships in Asia and the Pacific as well. In fact, we have long since achieved such sophisticated and sensitive relations with many of our allies—Japan, the Republic of Korea, Australia, and New Zealand. With others—ASEAN; Pakistan; and our friends in the Pacific, South Asia, and the gulf—we are well on the way to achieving these patterns of broadly based trust and common interest. Moreover, this constructive engagement is open to all others in the area who prefer peaceful political and economic interaction to the use of force against their neighbors.

If the Soviets persist in their present course in Asia, it is these ties which will ultimately sustain us and our friends and preserve our common welfare in the face of the challenge. If, on the other hand, the Soviets should ever decide to participate more fully in the peaceful political and economic life of Asia—of which they undeniably have a right to become a part—we will be equal to any degree of competition or cooperation they should care to undertake.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

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tiles, electronics, and appliances and the third largest financial center in the world. (I refer, of course, to Hong Kong.)

The magic of the market is the price system—that impersonal, decentralized means of communication that makes the free market work. There are so many things that could be said about the price system that it is a dangerous topic to get started on. Let me just mention the three main functions of the price system.

- Prices convey information; for any given transaction they convey all of the relevant information about the selective value each party places on the goods or services to be exchanged.

- Prices provide an incentive to adopt the least costly methods of production and thereby use available resources in their most highly valued purposes.

- Prices determine how income is distributed.

The price system functions without coercion. It works because it brings together in voluntary association buyers and sellers of goods and services. As we look a bit later at a possible role for government in overruling the price system, it will be well to remember that government, unlike the market, is fundamentally coercive.

Before I turn to industrial policy, just a few words on the "informational" function of the price system. Remember, prices are indicators of relative, not absolute, value. Price differences, not price levels, are important in transmitting the relevant information. For the information in prices to be interpretable, the general price level should not be changing so rapidly that individuals lose their perspective. Rapid inflation seriously damages the efficiency of the price system and distorts the behavior of individuals and firms, of consumers and producers, of borrowers and lenders.

Even in a period of high inflation, however, there is no better system for organizing a society than the price system. Fortunately, we in the United States have excellent prospects for returning to the levels of price efficiency that we took for granted only 10 years ago. It is tempting to claim that the inflationary binge of the 1970s is a thing of the past. I hope it is. But I am reminded of Mark Twain's comment on the ease of giving up smoking. He said he knew it was easy because he had done it so many times. Since World War II, we have stopped inflation six

times, only to bring it back each time worse than the last time.

Only governments can cause inflation. They do not do it to distort prices. They do it to raise revenue without having to raise taxes.

Industrial Policy

I want to turn now to a proposal which is attracting a lot of attention in the press under the code name of "industrial policy." Unlike inflation, industrial policy is based on the assumption that the market fails to provide the "right" industrial structure, so government must step in and override the decisions of the price system. To be bipartisan, let me quote Charles Schultze, the chairman of President Carter's Council of Economic Advisers and the director of President Johnson's Office of Management and Budget. He defines industrial policy as "a series of systematic governmental policies designed to produce an industrial structure different from what the market would have produced."

Industrial policy, despite its modern cachet, is not a new idea. In fact, it is the free operation of the price system, which has produced over the past 200 or so years the largest and longest sustained increase in economic well-being around the world. It is this impersonal, decentralized, free market price system which is the new kid on the block. From the beginning of recorded history, society, including its economic relationships, was organized according to theocratic or autocratic lines with an unchallenged right of the church or the state to organize and direct.

Industrial policy brings us back to the days of mercantilism, against which Adam Smith so eloquently argued in the *Wealth of Nations* back in 1776. I need not recount in any detail this evening the bankruptcy of the rationale for, and the dangers of, industrial policy in the United States. Several of my colleagues in Washington have been kind enough to put their persuasive argument in the public record. Ed Harper, President Reagan's domestic policy adviser until June, gave a path-breaking address to the international forum of the U.S. Chamber of Commerce in Washington on June 15th. More recently, [Treasury Secretary] Don Regan has argued the case very cogently and rationally in the J.A. Vickers lecture series at the University of Kansas, and Charles Schultze has destroyed the premises of a national industrial policy in the current issue of *The Brookings Review*. To put the case in a nutshell:

- The de-industrialization of America is a myth. Employment in manufacturing, for example, rose in the United States during the 1970s while falling in most industrial nations. Manufacturing output is not declining as a percentage of total output.

- Governments are neither better informed nor better able to promote growth than is the market. As Nolan Bushnell, the founder of Atari, put it:

There is one argument for a national industrial policy that deserves a little more attention from the Under Secretary of State for Economic Affairs: the foreign competition angle. In the words of Lester Thurow of MIT: "American industry is being beaten up by its international competition. Business and labor are both afraid that American industry is going down for the count." This fear arises particularly from the "assistance" that foreign producers receive from their governments. "He's getting a subsidy; I can't compete!" Or, "Labor is so cheap there, how do you expect me to compete?" Before I try to give an answer to those questions, let's take a moment to look at two cases of industrial policy abroad.

Case One. If we want to understand the end toward which industrial policies are carrying us, there is no need to imagine fictional examples of industrial planning. The world market for agricultural products is a good illustration of the international trade consequences of national production planning. In agriculture, government interference with the market mechanism has a long and dreary history. Considerably more than one-half of world trade in agriculture is dependent on government subsidies and credits, transacted in the form of state trading or within politically negotiated arrangements.

Indeed, it is fair to say that in agriculture an effective international price system no longer exists. Is it surprising that the bitterest commercial conflicts among the large industrial countries originate in their agricultural trade, causing serious harm to the smaller agricultural exporting countries? The interdependence of agriculture with all other sectors of national economies ensures that problems in that area spread to the other sectors. Thus the difficulties arising from the extensive use of price supports, subsidies, and border measures for agricultural products have contributed to recent problems of industrial trade.

The European Community's (EC's) common agricultural policy (CAP) is the

Continuation of Export Control Regulations

MESSAGE TO THE CONGRESS, OCT. 14, 1983¹

Pursuant to Section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703, I hereby report to the Congress that I have today exercised the authority granted by this Act to continue in effect the system of controls, contained in 15 C.F.R. Parts 368-399, including restrictions on participation by United States persons in certain foreign boycott activities, which heretofore has been maintained under the authority of the Export Administration Act of 1979, as amended, 50 U.S.C. App. 2401 *et seq.* In addition I have made provision for the administration of Section 38(e) of the Arms Export Control Act, 22 U.S.C. 2778(e).

1. The exercise of this authority is necessitated by the expiration of the Export Administration Act on October 14, 1983, and the resulting lapse of the system of controls maintained under that Act.

2. In the absence of controls, foreign parties would have unrestricted access to United States commercial products, technology and technical data, posing an unusual and extraordinary threat to national security, foreign policy, and economic objectives critical to the United States. In addition, United States persons would not be prohibited from complying with certain foreign boycott requests. This would seriously harm our foreign policy interests, particularly in the Middle East. Controls established in 15 C.F.R. 368-399, and continued by this action, include the following:

National security export controls aimed at restricting the export of goods and technologies which would make a significant contribution to the military potential of any other country and which would prove detrimental to the national security of the United States;

Foreign policy controls which further the foreign policy objectives of the United States or its declared international obligations in such widely recognized areas as human rights, anti-terrorism, and regional stability;

Nuclear nonproliferation controls that are maintained for both national security and foreign policy reasons, and support the objectives of the Nuclear Nonproliferation Act;

Short supply controls that protect domestic supplies; and

Anti-boycott regulations that prohibit compliance with foreign boycotts aimed at countries friendly to the United States.

3. Consequently, I have issued an Executive Order to continue in effect all rules and regulations issued or continued in effect by the Secretary of Commerce under the authority of the Export Administration Act of 1979, as amended, and all orders, regulations, licenses, and other forms of administrative actions under that Act, except where they are inconsistent with sections 203(b) and 206 of the International Emergency Economic Powers Act.

4. The Congress and the Executive have not permitted export controls to lapse since they were enacted under the Export Control Act of 1949. Any termination of controls could permit transactions to occur that would be seriously detrimental to the national interests we have heretofore sought to protect through export controls and restrictions on compliance by United States persons with certain foreign boycotts. I believe that even a temporary lapse in this system of controls would seriously damage our national security, foreign policy and economic interests and undermine our credibility in meeting our international obligations.

5. The countries affected by this action vary depending on the objectives sought to be achieved by the system of controls instituted under the Export Administration Act. Potential adversaries are seeking to acquire sensitive United States goods and technologies. Other countries serve as conduits for the diversion of such items. Still other countries have policies that are contrary to United States foreign policy or nuclear nonproliferation objectives, or foster boycotts against friendly countries. For some goods or technologies, controls could apply even to our closest allies in order to safeguard against diversion to potential adversaries.

6. It is my intention to terminate the Executive Order upon the enactment into law of a bill reauthorizing the authorities contained in the Export Administration Act.

RONALD REAGAN

¹Text from Weekly Compilation of Presidential Documents of Oct. 17, 1983. ■

most comprehensive system of direct export subsidies of any in the world. The European Community's objectives are to maintain rural incomes and populations. These objectives are met by high price supports on agricultural products. (The system is so detailed that dairy price supports vary according to the elevation at which the cow grazes.) High price supports encourage production but cause high food prices which depress demand; so large stocks accumulate. That is no different for the EC's CAP than for some of the U.S. farm programs. But the difference between us and them is in the way we handle the surpluses. The EC policy is to put the surpluses on the world market with whatever subsidies are necessary to move them. Needless to say, the subsidies are huge. But this is not the end of it. High price supports attract people, capital, and resources to agriculture. Accordingly, the nonagricultural sector lags. Europeans complain about their poor performance in investment and high technology but never seem to grasp the connection of this weakness to their common agricultural policy.

In addition to the indirect damage of the CAP, its direct costs are mind boggling. Spending on export subsidies alone was \$5 billion in 1982. Even apart from member state expenditures on agriculture, total community farm spending is about \$13 billion and rising. About 70% of the total budget of the EC goes to agricultural subsidies. To complement its system of price supports and export subsidies, the EC has established a comprehensive system of import barriers—old-fashioned protection—to ensure that domestic prices are not undercut by imports.

Case Two: The Case of Japan. Industrial policy advocates remind us of the menacing image of "Japan, Inc."—that economic superpower flexing its muscles and threatening to devour the global marketplace. It is said that "Japan has an industrial policy. So we should too." The supposed agent of Japan's success is MITI. (Even in Japan, government agencies have to have an acronym.) Japan's Ministry of International Trade and Industry (MITI) has had its successes. But it has also made some serious errors, and I think the Japanese would be the first to acknowledge this.

For example, MITI tried unsuccessfully to prevent Honda from entering the automobile industry for fear the market would not support more than two companies. MITI also advised a lit-

tle company called Sony many years ago that vacuum tubes were the wave of the future and that the new American invention, the transistor, was a passing fad. These firms ignored MITI and prospered without assistance, as did a number of other major industries, including consumer electronics.

In the past, far more than today, Japan did intervene to protect its developing industries. The major beneficiary of Japan's industrial policy was its steel industry which received the bulk of government support in the 1950s and 1960s. It is on this supposed success story that the reputation of MITI and industrial policy largely rests.

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Japan encouraged expansion in the steel industry primarily by reducing the industry's cost of capital. Low interest loans, subsidies on interest, special depreciation allowances, and other methods were employed to make capital artificially cheap for Japanese steelmakers.

The result was remarkable growth. Japanese steelmakers built ultramodern plants from scratch, while other nations made do with relatively less efficient additions to older plants. Productivity, output, and exports soared.

All this sounds like a great success story, but was it? When a nation allocates scarce capital to a particular use, that capital is no longer available for other projects. The important question is, where would it have done the most good? The question is not whether the investment in steel was productive. The question is whether the investment was more productive than the same amount of funds invested elsewhere would have been. The answer, I believe, is "no."

If that same capital had been used to equip more workers in alternative occupations, it would have done more to increase Japanese gross national product and employment than it did in the steel industry. It appears that the most famous example of a successful industrial policy reduced the income of the country which employed it.

Now let me return to the question I asked earlier: How can American producers compete against foreign industrial policy? There are at least two possible answers: One is to mimic the foreign system; the other is to challenge it.

Is it really necessary to spend much time on the first possibility? The cases that I have presented left the economy of Europe in the one case and of Japan in the other worse off. By what process of logic could we reach the conclusion that we should make ourselves worse off, in a general long-run sense, in order to retaliate against a competitor? The policy of retaliation is vividly portrayed in one of President Reagan's favorite stories. We are in a boat with our partners and competitors in the world economy. One of them chooses to shoot a hole in the bottom of the boat (most likely, the bullet would pass through his foot). If we try to get even by shooting another hole in the boat, some would call that getting tough, the President said, but he calls it getting wet.

That leaves me only one answer, and it rests on the superiority of the market system. Notice I did not say the in-

fallibility or perfection of the market, just the superiority. The market, distorted as it is by the intrusiveness of government, will do a better job of spurring growth, creating jobs, and raising the standard of living than any other method—certainly better than government direction of investment to sectors selected through the political process.

In the final analysis, industrial policy, like inflation, damages the functioning of the price system. When the price system is prevented from working, its failures inevitably lead the political system to assume ever more lavish discretionary authority over economic activity. Sluggish performance leads to promiscuous, day-to-day interventions—control of prices, licenses to pursue activities; permissions to make and to cultivate, to buy and to sell—in other words, to political distribution of privileges and exemptions. That is the kind of power most subject to abuse and most damaging to real development.

The threat to our democratic institutions cannot be overlooked. Democracy, after all, is only a political method of accommodating change without revolution. When the state comes to be so involved in the processes of the society that it becomes the necessary support of

economic and social structures, it becomes identified with the status quo. The basic function of democracy—change without upheaval—is threatened.

Conclusion

In conclusion, let me tell of an incident of which I am frequently reminded in Washington. It happened 8 or 10 years ago at the University of Rochester. I was walking past a building from which a crowd of students was pouring out after a lecture. I heard an earnest young lady ask the young man with her, "Do you think the professor was right when he said that the two biggest problems in America today are ignorance and apathy?" The young man replied in a tone that showed that his mind was elsewhere, "I don't know, and I don't care."

Actually, the professor was wrong. A bigger problem than ignorance and apathy—far bigger—is what a 19th-century humorist described as "knowing so danged much that ain't so." "What you don't know won't hurt you," he said, "it's knowing so danged much that ain't so." It is that that has reminded me often in Washington of the Rochester incident. ■

Agricultural Export Promotion and Trade

by W. Allen Wallis

Statement before the House Committee on Agriculture on October 18, 1983. Mr. Wallis is Under Secretary for Economic Affairs.¹

I welcome this opportunity to express the Department of State's views on agricultural export promotion and trade. Secretary Block [John R. Block, Secretary of Agriculture] and Mr. Lighthizer [Robert Lighthizer, Deputy U.S. Trade Representative] have made a number of sound observations about the prospects we face in marketing our agricultural products. I will not repeat what they have said. But I do want to say that the Department of State shares their assessments. I will discuss the challenges we face from protectionism, both old-fashioned barriers to imports and export subsidies, which are becoming widespread. I will also touch on the problems we face because of indebtedness in the developing countries and on the import-

ance of the United States being perceived as a reliable supplier. These are areas where the Department has an important role.

The defense and promotion of U.S. interests in agricultural exports have become a key objective of our foreign economic policy. This should not surprise anyone. Our agricultural exports totaled about \$36 billion last year, representing almost 20% of total exports; 40% of U.S. agricultural land produces for export; and well over a million jobs are directly associated with agricultural exports. American agriculture traditionally has been a strong advocate of free trade.

As Secretary Block and Mr. Lighthizer have indicated, recent years have seen a dramatic slowdown in world trade in farm products. Even with the economic upturn, few observers—and I include my own Department—see a return to the rapid growth in agricultural exports that characterized the 1970s. Demand will continue to grow

relatively slowly for at least the next few years and certainly will grow much more slowly than production, which almost everywhere is increasing, especially in the developed countries. Thus, we must view the problems of agriculture against a world market that will be characterized by intense competition for markets expanding only slowly.

Debt and Credit

One cause of the slowdown in agricultural trade—in fact, all trade—is that financial problems face many countries. Financial problems are particularly acute in the developing countries, which recently have been the fastest growing part of the global market for agricultural exports. The high levels of external debt of many developing countries have adverse effects on U.S. farmers because servicing debts absorb foreign exchange that might be used for imports, including food. The debt problem cannot be solved quickly or easily but the United States has been a leader in developing a strategy which is beginning to meet the problem. The International Monetary Fund (IMF) is at the center of this strategy. Few proposals are more important than assuring adequate resources for the International Monetary Fund to do its part of the job. In this sense, the Administration's request for \$8.4 billion to fund increased IMF quotas and related facilities may be regarded as partly farm legislation. Adequate IMF resources are essential to help countries to get their economies growing again. Without growth, they cannot buy more U.S. agricultural products.

We can also help with our credit programs. The Department of Agriculture's program of export credit guarantees provides a much-needed underpinning for commercial lending to support U.S. farm exports. The State Department has joined with others to urge that adequate funding be provided for this program.

International Trading System

In stagnant or slowly expanding markets, there usually are strong pressures, on the one hand, for subsidies and other measures to promote exports at any cost and, on the other hand, for protection from world markets. Against these pressures, the United States must make every effort to protect its legitimate trading position.

Unfortunately, the current international trading rules do not give us an op-

portunity to reap the full benefits of our clear comparative advantage in agriculture. And even these inadequate rules are under severe stress from new protectionist measures and proposals that would perpetuate and expand the use of export subsidies.

We generally think of protectionism in terms of measures such as tariffs or quotas on imports. Equally important and of greater concern today are export subsidies, which also threaten to close markets to our products. Subsidies force U.S. farmers to compete with foreign governments, not foreign farmers. Unlike tariffs or quotas, export subsidies do not necessarily reduce total trade, but they do lead to distortions within the exporting country and within the world markets as importers shift to lower-priced, subsidizing suppliers.

The European Community's (EC) common agricultural policy (CAP) is the most comprehensive system of direct export subsidies among all exporters of agricultural products. Allow me a minute to go through the logic of the CAP. The European Community's objectives are to maintain rural incomes and populations. These objectives are met by high price supports on agricultural products. (The system is so detailed that dairy price supports vary according to the elevation at which the cow lives.) High price supports encourage production, but cause high food prices which depress demand, so large stocks accumulate. That is no different for the EC's CAP than for some of the U.S. farm programs. The difference between us is in the way we handle the surpluses. The EC policy is to put the surpluses on the world market with whatever subsidies are necessary to move them. Needless to say, the subsidies are huge.

But this is not the end of it. High price supports lead to high profits for large, capital-intensive farmers, affecting the demand for farm machinery and for other inputs into the agricultural sector. Diversion of resources to the agricultural sector cuts profits in the non-agricultural sector. Accordingly, investment in the nonagricultural sector lags. Europeans complain about their poor performance in investments and high technology but never seem to grasp the connection of this weakness to their common agricultural policy. In addition to the indirect damage of the CAP, its direct costs are mind boggling. Spending on export subsidies alone was \$5 billion in 1982. Even apart from member state expenditures on agriculture, total community farm spending is about \$13 billion and rising.

The EC Council addressed this problem at its June meeting in Stuttgart and ordered a new review of European agricultural policies and expenditures and of ways to increase community revenues. In response, the EC Commission has proposed reform of the CAP. Most of the proposals are not new and many have been part of earlier CAP reform efforts. The commission's recommendations have led to a lively debate among the members of the Community.

To complement its system of price supports and export subsidies, the EC has established a comprehensive system of import barriers—old-fashioned protection—to ensure that domestic prices are not undercut by imports. And we may be facing new barriers under the EC Commission's proposals for reforming the CAP. The commission seeks to limit imports of important U.S. agricultural products by establishing import quotas for nongrain ingredients of feeds, including corn gluten and citrus pellets, and by imposing a consumption tax on vegetable fats and oils. These proposals are of great concern to the United States and demonstrate the kinds of problems which the United States must confront in this decade. We will seek to maintain and expand our exports despite the problems which can be expected to arise from large budget deficits in EC agriculture.

Last spring at the Williamsburg summit, the leaders of the seven largest economies committed themselves to "... halt protectionism and as recovery proceeds to reverse it by dismantling trade barriers." That includes trade in agricultural products. We are actively engaged with the EC and with Japan in trying to carry out this commitment.

The Department of State is an active participant in the discussions with the EC on agricultural trade issues. We share the disappointment of others that the extensive discussions in recent years, including those initiated by Secretary Shultz and his Cabinet colleagues last December, have not led to any real progress. We are working closely with other agencies to fashion an effective response to the EC Commission's proposals which are of great concern to us. We have told the EC that the measures they are considering would require us to take appropriate actions to protect our interests.

As Secretary Block and Mr. Lightizer have pointed out in their statements, we are continuing to press Japan to open its markets to U.S. agricultural exports. We are continuing bilateral discussions with the Japanese on beef

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and citrus, and we are working within the General Agreement on Tariffs and Trade (GATT) to liberalize Japanese import quotas. These discussions are particularly important because Japan is our single largest customer for agricultural products and could be a still-larger customer if it lowered barriers.

At the State Department, we provide all the support we can for Ambassador Brock's efforts to change the rules within the GATT and in other international organizations, such as the Organization for Economic Cooperation and Development, to give agriculture a better break. I accompanied Ambassador Brock to the GATT ministerial meeting last November and to quite a few meetings since then. I can attest from experience that progress is slow and the lack of it is frustrating. This reflects the difficulty and the importance of the issues at stake. Most countries, including the United States, treat agriculture as a unique sector which requires special treatment for social and political reasons. This makes issues of agricultural trade particularly difficult. But a better world trade environment is a key objective of U.S. foreign policy, as it has been since Secretary [of State] Hull's days 50 years ago.

It is important to keep in mind the linkages of our domestic agricultural programs with the international economy. For example, as the world's largest grain exporter, our programs may establish a price umbrella which shields less efficient foreign producers and a floor price below which the United States may withdraw from the international market. Since most international agricultural markets are based on the U.S. dollar, our domestic prices are of crucial importance. If the U.S. support prices equal or exceed world market-clearing prices, it is the U.S. producer who loses.

Reliable Supplier Issues

Finally, a word on nonprice competition. No one questions the quality of American farm produce, but our reliability as a supplier has been questioned. To be competitive, the U.S. producer must be a reliable supplier of whatever he exports. This fact has perhaps been inadequately appreciated in the past. President Reagan has emphasized more than once the importance he attaches to this issue and has moved to give it concrete expression. For instance, he signed "contract sanctity" legislation, which prohibits interference with agricultural ex-

port contracts in the absence of war or declared national emergency.

Just as important, the United States will have to ensure that we can continue to meet the requirements of the world markets for quality and competitively priced agricultural commodities. We will have to ensure that our domestic farm programs provide the incentive for American farmers to realize their productive potential under competitive market conditions.

Conclusion

Let me sum up briefly. The State Department plays an active and constructive role in agricultural trade issues. We seek an international trading environment which respects the comparative advantage of various competitors. We oppose European efforts to increase protectionism and to maintain and expand export subsidies. We are firm also in our efforts to get the

Japanese to allow us better access to their markets. The Department of State works closely with the Treasury in efforts to resolve the debt problems of the developing countries, to restore their role as purchasers of agricultural products. We also support efforts to ensure that the United States is a reliable supplier.

Obviously your awareness of the importance of sound American agriculture, not only to the United States, but to the world, is your reason for holding these very helpful hearings examining the problems we will face in coming years. Thank you for this opportunity to focus on the longer term issues that we will need to keep in mind as we face our day-to-day problems.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Endangered Species Convention

by James L. Malone

Remarks made at a seminar on implementing the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in the Latin American region at the Department of the Interior on August 12, 1983. Ambassador Malone is Assistant Secretary for Oceans and International Environmental and Scientific Affairs.

On behalf of the Department of State, I am particularly pleased that we have been a part of this first seminar on CITES implementation and that we at the State Department were able to host the first week of the conference. I understand that the meeting has gone very well and that there has been an excellent exchange of views on all sides. I would like to compliment the CITES Secretariat, the U.S. Fish and Wildlife Service, the Canadian Wildlife Service, the UN Environmental Program (UNEP), and the World Wildlife Fund—U.S. and—not the least—all participants for the great efforts they have made to make these meetings a success.

CITES continues as the foundation of U.S. policy to protect wildlife, wildlife habitat, and biological diversity at the international level. There is very broad American public interest in environmental affairs in general and in wildlife con-

servation in particular. As you saw today, CITES is strongly supported by American nongovernmental organizations, including conservation, scientific, and wildlife trade and industry groups.

Your mere presence at this conference will help increase CITES visibility and influence throughout the Latin American region, as well as in the United States. The discussions you have held these past 2 weeks will extend this impact and enable your governments and ours to work more effectively toward common goals.

Hemispheric Cooperation

We are proud of the long history of cooperation between the United States and the countries of Latin America on environmental protection and resource conservation. Collaboration within the CITES framework is but one important manifestation of this relationship. Our public and private sector institutions are working—through bilateral and multilateral channels—with the governments of Latin America to protect air, land, and water resources; conserve natural resources; and improve the overall quality of the environment for all citizens. Indeed, we anticipate that the United States and Mexico will conclude a new environmental pollution agreement when our respective presidents

meet at La Paz, Baja, California, on August 14. I have a special pride in the agreement not only as the head of the State Department's environmental bureau but as the U.S. negotiator.

Our international environmental policies are based on principles which were enunciated at the UNEP session of a special character in Nairobi 1 year ago, which commemorated the 10th anniversary of the Stockholm UN Conference on the Global Environment.

In summary, we hold that international environmental and natural resource policies should be fully integrated with economic development, social progress, and the promotion of liberty and individual rights. Respect should be given to different national approaches and reliance placed on individuals and the private sector in addition to the policies, actions, and institutions of government.

We also consider that all nations should participate in evaluating and responding to environmental and resource problems, should seek to minimize environmental degradation, and should bring to bear increased scientific knowledge from all available sources.

Given the constraints of worldwide budget austerity, we believe that we should try to solidify and build on the base of laws, treaties, programs, and institutions that have been created to address continuing and emerging environmental and resource issues. We should concentrate on and upgrade: (1) monitoring and assessing of environmental conditions and trends; (2) natural resource management with priority given to forests, arid and semiarid lands (both of which are wildlife habitat), and prime cropland; and (3) education, training, and information dissemination to expand public awareness and knowledge and enlarge the world cadre of trained personnel in the environmental and resource areas.

The above principles and practical areas of concentration very closely parallel the objectives of CITES and the areas on which your Secretary General envisages that the convention should concentrate in the immediate years ahead.

U.S. Initiatives

By way of implementing U.S. environmental and natural resource policies in Latin America, we have committed funding for 1982-83 through the U.S. Agency for International Develop-

ment (AID) in direct support of projects falling within the program framework of the action plan for the wider Caribbean region. Our financial commitment to specific projects far exceeds contributions made by other nations to the Caribbean action plan trust fund. The plan has both marine pollution control and economic development objectives.

We took a leading role in the development, negotiation, and conclusion of the Convention on the Protection and Development of the Marine Environment of the Wider Caribbean Region, signed in Cartagena, Colombia, in March 1983. And, through the 1982 reauthorization of the Endangered Species Act, the Departments of Interior and State will take steps in cooperation with other contracting parties to implement the 1942 Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere.

Together with Panama, we have reactivated the U.S.-Panama Joint Commission on the Environment, which had

been dormant for some years. In June 1983, the commission formally adopted a comprehensive management plan for the Panama Canal watershed.

Our government played a leading part, together with other nations and international organizations, in the conclusion of CITES in Washington 10 years ago. We in the Department of State have continued to work for a strong, effective convention and are pleased to provide whatever support we can to the Secretariat, the Department of the Interior, the U.S. Fish and Wildlife Service, and other agencies and organizations—both public and private—in the implementation of CITES in the United States.

It is my hope that this Conference will provide an even better atmosphere and basis for continued cooperation in the implementation of CITES and other environmental and natural resource initiatives far into the future, with all the nations of this hemisphere. ■

U.S. Seeks Amendment to Endangered Species Convention

MESSAGE TO THE SENATE, OCT. 4, 1983¹

I transmit herewith, with a view to receiving the advice and consent of the Senate to acceptance, an Amendment to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), done at Washington, March 3, 1973. The Amendment provides for accession by regional economic integration organizations to CITES and, upon entry into force, would permit the European Community to become Party to the Convention. Accession of the Community would serve to make application of CITES within the Community an internationally binding obligation and thus enhance implementation and enforcement of the Convention, an objective which the United States strongly supports. The report of the Department of State is enclosed for the information of the Senate in connection with its consideration of the Amendment.

CITES was established to facilitate international conservation, providing for the control and monitoring of international trade in specimens of species endangered or threat-

ened with extinction. The Convention, as currently constituted, provides only for accession of States. The European Community seeks to achieve accession through an Amendment which would open the Convention for accession by regional economic integration organizations constituted by sovereign States which have competence for the negotiation, conclusion and implementation of international agreements in matters transferred to them by their Member States and covered by the convention. In such matters, the organizations would exercise the rights and fulfill the obligations attributed to their Member States. The Amendment, with revisions added at United States instance, was adopted by the CITES Parties at an extraordinary meeting in Gaborone, Botswana, April 30, 1983.

I recommend that the Senate act favorably at an early date on this Amendment, and give its advice and consent to acceptance.

RONALD REAGAN

¹Text from Weekly Compilation of Presidential Documents of Oct. 10, 1983. ■

NATO Defense Ministers Meet in Canada

The Defense Ministers of the NATO members met in Montebello, Canada, October 27-28, 1983. Secretary of Defense Caspar W. Weinberger represented the United States. Following is the text of the final communique, with annex (Montebello decision) issued on October 28.

FINAL COMMUNIQUE

1. The NATO Nuclear Planning Group (NPG) held its autumn ministerial meeting at Montebello, Quebec, Canada on 27th and 28th October, 1983. Spain attended as an observer.

2. Ministers discussed a wide range of security matters. In particular, they discussed a comprehensive study prepared by the High Level Group. The terms of the Montebello Decision taken on 27th October, 1983 which resulted from this are set out in full at annex to this communique.

3. Ministers reaffirmed that the supreme objective of the Alliance is the maintenance of peace in freedom. A stable military balance to be established at the lowest possible level is essential to this objective. They emphasized that it was not necessary for the Alliance to match the Soviet Union system-for-system or warhead-for-warhead. Although nuclear forces at all ranges play an important role in maintaining an unbroken spectrum of deterrence, only the minimum number of these forces necessary to support the Alliance's agreed strategy of deterrence and defense should be retained in NATO's inventory.

4. Ministers noted that, in contrast to NATO's policy of restraint, the Soviet buildup is continuing relentlessly at all levels. In recent months the Soviet Union has continued construction of at least three new SS-20 bases east of the Ural Mountains, in addition to the already deployed 351 operational SS-20 launchers comprising 1,053 warheads. They are also retaining a large number of SS-4 and SS-5 missiles and are replacing older shorter-range missiles with a new generation of more accurate systems, namely the SS-21, SS-22, and SS-23, which have been under development for a number of years. SS-21s have already been forward deployed in Eastern Europe for some time. Ministers noted that the Soviet Union has recently threatened to deploy forward additional shorter-range missiles and to adopt other military and political measures should NATO proceed as planned with the deployment of LRINF [longer range intermediate-range nuclear forces] in Europe. Ministers urged the Soviet Union to match NATO's restraint and to reduce rather than increase the levels of its nuclear weapons.

5. Ministers supported the determination of the United States and the United Kingdom to maintain the deterrent capabilities of their strategic forces, while recognizing that only the strategic forces of the United States have the capability to provide the ultimate guarantee of security for all members of the Alliance. At the same time, they welcomed the proposals the United States has made in the Strategic Arms Reductions Talks to reduce the level of United States and Soviet strategic arms, including the "build-down" concept recently tabled in Geneva. Ministers agreed that such proposals could serve as the basis for an effective agreement which would enhance the stability and security of all countries concerned.

6. Ministers emphasized their determination to move ahead with the dual-track approach of modernization and arms control with respect to LRINF. They noted with satisfaction that the flight testing of both the Pershing II and ground-launched cruise missile (GLCM) in the United States had been successfully completed, that production of the missiles is on schedule and that the preparations in the European basing countries would permit initial operational capability, as planned. Ministers emphasized NATO's commitment and determination that, in the absence of a concrete arms control agreement obviating the need for that deployment, deployment of a mixed force of ballistic and cruise missiles as decided in the dual-track decision of 1979 will begin by the end of the year.

7. Ministers reaffirmed that the United States proposal in the INF [intermediate-range nuclear forces] negotiations, developed in close consultation with the Allies, to eliminate the entire category of United States and Soviet land-based longer-range INF missiles remains the best and most equitable outcome. They welcomed the continuing close consultations with the Alliance on the negotiations. Ministers fully supported the United States' offer of an interim agreement providing for United States and Soviet equality in missile and warhead numbers. They also supported the United States determination in Geneva to explore every proposed solution for an INF arms control agreement that meets the legitimate security concerns of the Alliance. The basic criteria for such an agreement are: significant reductions based on equality of rights and limits between the United States and the Soviet Union, no inclusion of or compensation for third-country systems, global limitations, no weakening of the United States contribution to NATO's conventional deterrence and defense and effective verification.

8. Ministers welcomed the latest United States initiatives which address concerns that the Soviet Union has expressed in Geneva on

aircraft, geographic scope and reductions of the Pershing II as well as cruise missiles. The Soviet Union has not yet demonstrated similar flexibility. Each Soviet modification of their original proposal made so far would have the same basic outcome: the prohibition of any NATO LRINF missile deployments while the Soviet Union retained a monopoly in such missiles. This is because of their insistence to take into account British and French forces and their refusal to accept the principle of equality in LRINF missile deployments. The Alliance cannot accept this Soviet approach which is apparently intended to further their long-term aim of dividing the Alliance and to erode seriously the linkage between the United States strategic deterrent and the defense of NATO Europe. This linkage is essential for NATO's security.

9. Ministers noted with attention the most recent Soviet proposals. The Soviets are invited to explain fully their proposals at the negotiating table. Ministers stated that NATO would continue to examine carefully all proposals in light of the Alliance's agreed criteria described above. As reported, however, the Soviet Union regrettably continues to insist on a monopoly in land-based LRINF. The West has continued to negotiate for two years while the Soviet SS-20 buildup has continued. The Soviets therefore have absolutely no justification for breaking off negotiations as NATO's deployment goes forward, as they have threatened. Ministers stressed that the Alliance commitment to negotiations would continue even after initial deployments and that they remain willing to reverse, halt or modify deployments—if and when a balanced, equitable and verifiable agreement is achieved in Geneva.

10. Ministers accepted with pleasure an invitation from Mr. U. Haluk Bayulken, the Turkish Minister of National Defence, to hold their next meeting in Turkey in Spring 1984.

11. The Danish Minister of Defence repeated Danish Government support for the double track decision but at the same time he recalled the motion passed by the Folketing on May 26.

12. Greece has expressed its views in a statement included in the minutes.

ANNEX TO COMMUNIQUE

Montebello Decision

1. At Montebello, Nuclear Planning Group (NPG) Ministers declared that the policy of the Alliance is to preserve the peace through the maintenance of forces at the lowest level capable of deterring the Warsaw Pact threat.

2. Consistent with this policy the Alliance since 1977 has been conducting analyses aimed at assuring that nuclear weapons in NATO's armoury are held to the minimum number necessary for deterrence, taking account of developments in conventional as well as nuclear forces.

3. On the basis of the initial results of these analyses, the Alliance decided, in December 1979 that unless obviated by suc-

cessful negotiation with the Soviet Union, the deployment of longer-range weapons (Pershing II and cruise missiles) was essential to restoring the balance and maintaining the integrity of NATO's deterrent posture. The Alliance remains committed to the dual-track decision and its implementation.¹ At the same time Ministers decided to reduce the NATO stockpile by 1,000 warheads. This withdrawal has been completed. Moreover, Ministers mandated further analysis to determine whether the withdrawal of weapons beyond the 1,000 then decided could be accomplished safely, in a manner consistent with the maintenance of deterrence at the lowest possible level of weapons.

4. With the Alliance analysis now complete, the Nuclear Planning Group has decided on 27th October, 1983 to withdraw 1,400 warheads during the next several years. This ministerial decision, taken together with the already accomplished withdrawal of 1,000 warheads, will bring to 2,400 the total number of warheads to be removed from Europe since 1979. Moreover, this reduction will not be affected by any deployment of longer-range INF (LRINF) since one warhead will be removed for each Pershing II or ground-launched cruise missile (GLCM) warhead deployed.

5. The detailed implementation of this decision as to the precise composition of the stockpile is a matter of the responsible military authorities to determine and a programme to effect this will be worked out and implemented over the next five to six years. In this context, appropriate consideration will be given to short-range systems. NATO's military authorities will report their findings to a future NPG meeting.

6. Recognizing that for this minimum level stockpile to make the most effective contribution to deterrence, both the delivery systems and the warheads must be survivable, responsive and effective. Ministers accordingly identified a range of possible improvements. Ministers established broad criteria which will remain valid for the next decade, including the continuing importance of strengthening conventional forces. The Alliance must, however, take account at all times of changes to Soviet capabilities during this period.

7. Contrary to the impression that NATO has been fueling an arms buildup by adding to its nuclear armoury, this sustained programme of reductions will have reduced NATO's nuclear stockpile to the lowest level in over twenty years. Ministers urged the Soviet Union to follow the example set by the Alliance, to halt and reverse its buildup of nuclear forces, and to join NATO in the search for a safer future.

¹Greece has expressed its views in the minutes of the NPG at Montebello [text in original]. ■

Visit of Finland's President



(White House photo by Pete Souza)

President Mauno Koivisto of the Republic of Finland made an official working visit to Washington, D.C., September 24-27, 1983, to meet with President Reagan and other government officials.

Following are remarks made by Presidents Reagan and Koivisto after their meeting on September 27.¹

President Reagan

President Koivisto and I have just completed a cordial and fruitful discussion about relations between Finland and the United States and about the current international situation. And it's a pleasure to say that we did not discuss problems in the Finnish-American relationship, because there are no bilateral problems between Finland and the United States. Our relations are excellent and have been for a long time.

The United States supports Finland's position of internationally recognized neutrality, and we value their perspective on world problems.

I welcome this chance to hear President Koivisto's views and expressed our own commitment to international cooperation and world peace. Americans have always had a warm place in their hearts for the Finnish people, and it's been a pleasure to welcome their President to our country today.

President Koivisto

I appreciate very much this opportunity to meet with President Reagan here in Washington today. It confirms a long-standing tradition of good relations and personal contacts, both warm and friendly, between our two countries.

Our talks have given me a very ample opportunity to gain insights into the policies of the United States. Naturally, I have also expressed our own views and aspirations with regard to the international situation. Finland's foreign policy is based, in the first place, on good relations and confidence with regard to our neighboring countries. In accordance with our policy on neutrality, we want to have good relations with all nations of the world.

Finland's impact on world affairs is understandably limited. However, we remain determined to make whatever contribution we can to restrain international conflicts and promote peaceful solutions.

Finland recognizes with deep appreciation the friendship it has always received from the people of the United States, for whom we have the greatest respect and affection.

¹Made to reporters assembled at the South Portico of the White House (text from Weekly Compilation of Presidential Documents of Oct. 3, 1983). ■

Challenges of U.S.-Soviet Relations at the 50-Year Mark

by Kenneth W. Dam

Address before International House in Chicago on October 31, 1983. Mr. Dam is Deputy Secretary of State.

The commemoration today of International House's five decades appropriately coincides with the eve of another 50th anniversary—that of the establishment of formal diplomatic relations between the United States and the Soviet Union. It was, of course, in November of 1933 that the Roosevelt-Litvinov agreement was concluded, giving us one of our first opportunities to undergo the rigors of the classic Soviet negotiating style.

In the following years, every American Administration since F.D.R.'s has had to wrestle with the increasingly complex problems posed by this evolving relationship: How does the United States deal with the reality of a country that is both assertive and insecure in its dealings with the rest of the world? How do we build a constructive relationship with a nuclear superpower whose interests and values are so different from ours? How do we sustain a coherent

that recently preceded it had the final answers, you would not be having this conference. I can, however, aspire to setting the stage for the discussions to follow by reviewing with you those aspects of Soviet policy of the past decade that directly affect American interests. They are the facts of life, if you will, that any U.S. decisionmaker would have to face in considering the future course of Soviet-American relations.

I shall focus on three areas—the growth of Soviet military power, Soviet expansion, and the Soviet quest for absolute security.

Soviet Military Buildup

Let me begin by reviewing the steady increase in Soviet military strength during the past two decades, extending through periods of both tension and detente. I do so because it is the Soviet military establishment that provides the basis for the Soviet Union's superpower status in the world of the 1980s.

The growth in Soviet resources for military purposes has been persistent and substantial. The burden of defense

capital equipment. More than one-third of all Soviet machinery output now goes to the military and about one-half of all research and development expenditures are for military applications. In human terms, the Soviet military sector takes about one-seventh of total manpower and a substantially higher proportion of the best qualified scientific and technical personnel.

The military sector is truly a separate, fast-track economy with distinct organizations and a different set of rules and *modus operandi* from the civilian economy. Uniformed military personnel are present at defense plants to ensure schedules are met and to conduct quality control tests. The Soviet defense industries have a much more impressive record in developing new products and bringing them into production than their civilian counterparts. One reason is the close cooperation between producer and consumer, which is absent in the civilian economy. The resulting burdens of this separate military economy weigh heavily on the quality of life for the average citizen.

In view of the pervasive secrecy in the Soviet Union and the formidable intellectual issues involved, debates recur both within and outside the U.S. Government regarding our ruble and dollar estimates of Soviet defense spending. The concrete results of such spending programs, however, are clear. There is nothing hypothetical about the overall size and growth of Soviet military forces.

Over the past decade, for instance, the Soviets have manufactured approximately 2,000 new intercontinental ballistic missiles (ICBMs); by comparison, the United States built approximately 350 during the same time. The Soviets built 54,000 new tanks and armored vehicles; U.S. production was 11,000. The Soviet Union turned out 6,000 tactical combat aircraft; the United States, 3,000. The Soviets launched 61 attack submarines; the United States, 27.

It is not just a question of numbers. There have also been dramatic improvements in the quality of Soviet weapons. Within just the last 2 years we have seen:

- The first tests of two new Soviet land-based ICBMs (a large MIRVed [multiple independently-targetable reentry vehicle] missile and a single warhead missile) and the continued improvement of their already deployed force of over 800 SS-17, SS-18, and SS-19 large, MIRVed ICBMs;

How does the United States deal with the reality of a country that is both assertive and insecure in its dealings with the rest of the world?

policy in the face of wide swings in American popular opinion from euphoria to hostility? Honest men and women can have different views about these matters, both because the Soviet Union is far more complex than it was 50 years ago and because we still know far too little about it.

It is especially fitting, then, that we have come together at International House to take a fresh look at the issues involved in U.S.-Soviet relations of the 1980s—examining some problems that are familiar after 50 years and others that are quite new.

As the keynote speaker to a conference entitled "The Search for Solutions," I should not preempt the rest of the field by providing all of the definitive answers this early in the morning. Do not fear. If this Administration or those

in the Soviet Union—the share of the gross national product (GNP) devoted to the military—has been about 14% through the past decade. By contrast, defense spending in the United States during this period averaged about 6%. With our planned increases, U.S. defense spending in 1984 will increase to about 7% of our GNP, still only half as much as the Soviet Union allocates to defense. Soviet military spending continues to grow in real terms. Though the growth rate may have slowed somewhat in recent years, the current high level of spending provides for very large annual increments in inventories of military equipment and extensive modernization of forces.

The Soviet military sector continues to have first claim on raw materials, transportation resources, personnel, and

- Flight tests of a new strategic heavy bomber, which we call the Black-jack, and of an entirely new generation of Soviet cruise missiles;

- The first units of the 25,000-ton Typhoon-class strategic ballistic missile submarine and two new Kiev-class aircraft carriers to join the two Soviet carriers already in operation;

- Deployment of some 100 new SS-20 intermediate-range missiles carrying three nuclear warheads each, for a total thus far of 360 of these mobile missiles targeted on Europe and Asia;

- In space, an increase in the Soviet Union's military-related programs, involving manned missions; satellites for reconnaissance, surveillance, and targeting; and the world's only operational antisatellite system.

Our attention is inevitably drawn to the new weapons systems. Yet the steady pursuit of longstanding programs, combined with the Soviet practice of keeping older but capable models in inventory much longer than in the West, has resulted over the years in a tremendous military inventory for the Soviet Union. The results are readily apparent in NATO-Warsaw Pact force comparisons: the East now fields some 42,500 main battle tanks, as compared to 13,000 in the West, and over 31,000 artillery pieces and heavy mortars, compared to less than 11,000 comparable Western weapons.

This inventory has also provided a reservoir for the ready supply of Soviet weaponry at concessional rates to an increasing number of countries. Since 1969 Soviet military aid to the Third World has increased tenfold. As a result, the Soviet Union has become the largest arms exporter to the Third World and the principal supplier of over 34 states, twice as many as a decade ago.

The Soviet military machine is not without flaws. Its highly centralized command structure inhibits initiative and flexibility, and Soviet strategists in the 1980s will have to consider the military implications of the Soviet Union's long-term economic and demographic problems. The West, moreover, can bring to bear powerful advantages of its own in maintaining a common defense. In recent years, we have done much to redress past inadequacies.

The scope and persistence of the Soviet Union's efforts to create an instrument of military power beyond plausible defense requirements are troubling. This quest for military superiority has been carried out in the

face of mounting domestic economic difficulties. Our concerns over this Soviet preoccupation with the new instruments of power have been heightened by their increasingly disruptive international behavior over the past decade.

Soviet Expansion

The record of increased Soviet activism and influence, particularly in the Third World, is already familiar to you. The diversity of the Soviet Union's ties with various client states of the Third World

[Its Third World] relationships have permitted the Soviet Union to project power into regions not immediately on its borders . . . these Third World relationships have now enabled the Soviet Union to involve itself in regional politics to a much greater degree than before.

defies any simply summary or categorization. In recent years we have seen:

- The Soviet Union's direct military intervention into Afghanistan;

- Its strengthened economic and military involvement with such regional communist powers as Cuba and Vietnam and its active support for the occupation of Kampuchea;

- Deployment of over 20,000 of Soviet and Eastern-bloc military personnel in more than 30 Third World countries, including Soviet crews for sophisticated air-defense missiles in Syria and Soviet advisers with surface-to-surface missiles in Syria; and

- Its extensive use of surrogate forces—some 40,000 Cuban military personnel are in Angola, Ethiopia, and Central America, not to mention Grenada.

However, Soviet relations with the Third World are not without friction. Soviet arms shipments do nothing to help resolve the serious economic problems of many Third World countries, leading these countries to turn to the West in increasing numbers. At times, the conflicting interests of the Soviet Union and a Third World nation or group have contorted Soviet diplomacy. The PLO's [Palestine Liberation Organization's] Arafat has recently discovered this to his misfortune, now that he is opposed by Syria and, as a result, has become a nonperson in

Moscow's eyes. Nor is it a game without risks for the Soviets. Their failures in Egypt and Somalia in the 1970s are well known.

Nonetheless, it is possible for us to identify two broad benefits that the Soviet Union has gained through its Third World relationships. First, these relationships have permitted the Soviet Union to project power into regions not immediately on its borders. Looking at today's geopolitical map, we can see—for the first time—Soviet military presence in strategically sensitive points

throughout the world: Cam Ranh on the South China Sea approaches to the Straits of Malacca; Asmara, Aden, and the Dahlak Islands at the access to the Red Sea and Suez Canal; Luanda in southern Africa; and a variety of installations in Cuba.

Second, these Third World relationships have now enabled the Soviet Union to involve itself in regional politics to a much greater degree than before. The causes of instability in the Third World are predominantly local in origin. But all too often the Soviets have used the opportunities provided by local instability to expand their power. To that end, their policies have frequently hindered efforts to resolve existing tensions. The difficulties—for instance, of securing peace in Lebanon in the face of Soviet encouragement of Syrian obstruction—are obvious and immediate.

Soviet Quest for Absolute Security

At the same time that the Soviets are playing this increasingly active, if unconstructive, role throughout the world, they strive for absolute security for themselves. But steps they take in the name of security have the result of making the entire world, including the Soviet Union, less secure.

If nothing else, the Soviet Union's destruction of Korean Air Lines (KAL) #007, its subsequent attempts to deny any wrongdoing on its part in this tragedy, and its assertion that it is

prepared to act again in a similar manner underscore a Soviet search for absolute security carried beyond all rational limits. Another manifestation of this search is Soviet insistence on maintaining levels of weaponry greater than those of many other states combined, which we now see in the INF [intermediate-range nuclear forces] talks.

In the name of absolute security, the Soviet leadership continues to be unwilling to countenance either meaningful national autonomy for Eastern-bloc countries or free expression and initiative for its own peoples. They insist that states on their border duplicate the Soviet system, and in recent years a general internal crackdown has occurred within the Soviet Union. Jewish, German, and Armenian emigration is at the lowest level since the 1960s, and officially sponsored anti-Semitism is on the rise. The oppression of such prominent dissidents as Sakharov and Shcharanskiy continues unabated. Unfortunately, just in the past month two new trials have been held, resulting in the convictions of:

Iosif Begun, a noted Jewish activist, who was sentenced to 7 years in prison and 5 years in exile; and

Oleg Radzinskiy, a leader in the unofficial Soviet peace movement, who was sentenced to 1 year in prison and 5 years in exile.

In both cases their alleged crime was dissemination of so-called anti-Soviet material.

Soviet infringements of the rights provided under the Helsinki Final Act are representative of the Soviet Union's

compliance with the ABM [antiballistic missile] and strategic offensive arms agreements. These Soviet efforts to stretch treaties and obligations to their very brink and sometimes beyond have disturbing implications for the future of the arms control process.

Soviet Behavior and U.S. Policies

Occasionally we hear the argument that the patterns of Soviet behavior that I have described are at least in part a response to recent U.S. policies. It is asserted that Soviet actions, however disproportionate in final result, have arisen out of deep-seated fears exacerbated by a perceived U.S. hostility. While this circular action-reaction model of U.S.-Soviet relations has a simplicity and symmetry that may appeal to those so inclined, the evidence available does not support it.

In considering Soviet actions over the past decade—whether in terms of military buildup, expanded Third World involvement, or domestic suppression—I am struck as much by the sense of continuity as of change. Obvious shifts in tempo and tactical emphasis have occurred, but the basic direction of the Soviet Union has remained much the same throughout its dealings with the Nixon, Ford, Carter, and now Reagan Administrations. The Soviets themselves say that their policies have not changed.

The Soviet military buildup started well before the United States began devoting increased attention to defense in the last 3-4 years. The large ICBMs that form the core of the Soviet

The degree to which particular American legislation and policies have affected Soviet emigration rates in the 1970s can be debated. The sustained crackdown on dissidents over the past years, however, has been based primarily on internal considerations. Soviet activism in various Third World areas appears to be far more opportunistic than defensive in the face of any supposed American provocation.

Similarly, it is hard to make the case that U.S. statements about the advantages of democracy over the Soviet system are themselves responsible for Soviet-American frictions. I recall that on one of his visits to Moscow, French President Giscard d'Estaing proposed to then-Soviet leader Brezhnev that detente in the diplomatic and economic sphere should be accompanied by a relaxation of ideological competition. Giscard was firmly rebuffed with the Soviet rejoinder that ideological co-existence was totally impossible. The Soviet reaction to our efforts to assist and support those who seek to build democracy within the Third World shows that this policy has not changed.

The inference should not be drawn, however, that we cannot influence the Soviets. On the contrary, U.S. policy can be a major factor in shaping Soviet policies. We should be wary, however, of illusions about the possibility of quick or dramatic breakthroughs.

In considering how we might respond to the Soviet actions that I outlined earlier, this Administration concluded that we should strive to create an international environment in which the Soviet Union is faced:

First, with tangible evidence of a renewed determination by the United States and its allies to strengthen both our common defenses and Western political and economic cohesion; and

Second, with drastically reduced opportunities and incentives for adventurism and intimidation.

In pursuing this strategy, we have sought to be prudent and realistic. In such an environment we expect that over time the Soviets will see greater restraint on their part as the most attractive option—not out of any sudden conversion to our values but out of sober calculation of how best to serve Soviet interests.

U.S. policy alone is only one part of such a strategy. The larger issue is how the West as a whole manages its dealings with the East. This is a subject beyond the scope of my talk today. This morning, I would only note one impor-

There is some validity to the view that a lack of firmness on the part of the United States and a lack of cohesion within the Western alliance have encouraged the Soviet Union in its lack of restraint.

persistent violations of both the spirit and the letter of international obligations. In recent years, apparent Soviet contraventions of various agreements have increased with troubling frequency, including evidence of yellow rain and chemical and toxin warfare in Afghanistan and Indochina. Most recently, a series of Soviet activities involving radar construction and ICBM testing has raised serious questions about Soviet

strategic forces, for instance, have no counterpart in U.S. forces and certainly cannot be considered a response to any U.S. program. Soviet SS-20 deployments in Europe and Asia since the mid-1970s cannot be seen as a counter to U.S. actions, since the United States has no comparable missiles. The number of U.S. nuclear weapons in Europe has, in fact, declined during this period. Last week we announced a further reduction of 1,400 nuclear warheads in Europe.

tant point. There is some validity to the view that a lack of firmness on the part of the United States and a lack of cohesion within the Western alliance have encouraged the Soviet Union in its lack of restraint. This Administration believes that the converse is also true—that strengthened consultation and cooperation with our allies and friends can serve to discourage unconstructive Soviet actions.

We have worked to forge a cohesive alliance policy toward the Soviet Union at the successful Williamsburg summit and a series of productive meetings in NATO and other international organizations on common trade and security policies. Through this process, we and our allies reached a common position that economic relations with the Soviet Union should be conducted on a strict balance of mutual advantage and should not directly contribute to Soviet military strength. At the same time, the Western governments reaffirmed their support of the 1979 dual-track decision to restore a balance in intermediate-range nuclear missile forces—through negotiations or U.S. deployments. Such alliance approaches are much more likely to obtain positive results than efforts of individual countries acting alone.

Earlier this year, the United States began to step up the pace of our dialogue with the Soviets in a variety of channels—in both Washington and Moscow as well as in Geneva, Vienna, and Madrid. Our contacts included extensive sessions on the part of Secretary Shultz and myself with Ambassador Dobrynin. We pressed a comprehensive agenda—covering arms control, regional issues, human rights, and bilateral questions involving trade and exchanges. We were expecting no breakthroughs. Rather, we sought to discover where some progress might be made in resolving particular problems with the Soviets.

A number of modest, but nonetheless encouraging, developments occurred. In the summer rounds of the START [strategic arms reduction talks] and MBFR [mutual and balanced force reductions] negotiations, the Soviets showed tentative willingness to contribute to making progress. The Soviet authorities allowed the emigration of the Pentecostalist families that had been living at our Embassy in Moscow for so many years. After rapid negotiations, a long-term grain agreement was signed. In response to our proposal, a meeting of U.S. and Soviet experts was held in Moscow to discuss upgrading the hotline and other crisis communications improvements. We were beginning to

discuss the possibility of both a new cultural exchanges agreement and the opening of new consulates in both countries.

I do not want to make too much of these modest steps. Contrary to some press speculation, they did not constitute a sudden warming in the relationship nor were they necessarily a prelude to an early summit. Nonetheless, by late August we were viewing the Secretary's scheduled meeting with Foreign Minister Gromyko at the concluding session of the Madrid CSCE [Conference on Security and Cooperation in Europe] meeting as an opportunity to see whether the Soviets were willing to take genuinely constructive steps.

Then, on August 31, Soviet air-defense forces shot down KAL #007 and its 269 civilian passengers just as the Korean airliner was leaving Soviet airspace over Sakhalin. The manner in which the Soviets handled the KAL tragedy throughout and the way these events inevitably set back any hopes for early progress in our relations with the Soviets are well known.

The necessity of a firm American response to these Soviet actions was clearcut. We promptly took a number of steps on our own and in concert with other nations. We pressed for the international condemnation of the Soviet actions. We were active in supporting the aviation boycott of the Soviet Union. Foreign Minister Gromyko's performance in Madrid—both before the assembled CSCE participants and in this private meeting with Secretary Shultz—made clear that the Soviet Union was determined to stonewall on this issue and was not interested in finding a way to limit the damage this tragedy would cause to East-West relations.

The domestic calls for a harsh and across-the-board reaction on our part were understandably strong and came from both liberal and conservative directions. However, the Administration believed that its basic approach in dealing with the Soviet Union was still valid. We were shocked but not surprised. This use of Soviet force merely confirmed what we had been saying all along about the Soviet Union and reaf-

16th Report on Cyprus

MESSAGE TO THE CONGRESS, NOV. 7, 1983¹

In accordance with Public Law 95-384, I am herewith submitting a bimonthly report on progress toward a negotiated settlement of the Cyprus problem.

Since my last report (August 18, 1983), the Greek Cypriots and the Turkish Cypriots have responded privately to an initiative undertaken by UN Secretary General Perez de Cuellar in early August to promote the resumption of the intercommunal talks which have been suspended since May of this year. At the same time, Turkish Cypriot leader Denktash proposed a meeting between himself and President Kyprianou with the Secretary General. The Secretary General is examining the responses and proposals with a view toward bringing both sides back to the conference table.

The Administration's policy throughout the period under review has been one of continued active support for the Secretary General's role, including his August initiative. We have assured the Secretary General and the two Cypriot communities that we support the early resumption of the talks to focus on

the substantive issues separating the two communities.

Our activities over the period have included high-level meetings between senior State Department officials and leaders of both the Government of Cyprus and the Turkish Cypriot community. In addition, we have reiterated to both the Government of Greece and Government of Turkey our strong desire to see substantive progress in the intercommunal negotiating process.

During the period since my last report, Secretary Shultz's Special Cyprus Coordinator, Christian A. Chapman, retired from the Foreign Service. Richard Haass was appointed by the Secretary to replace Mr. Chapman. Assistant Secretary Burt and Mr. Haass will appear before the House Foreign Affairs Committee soon to outline the present situation on the island and to describe the Administration's Cyprus policy.

Sincerely,

RONALD REAGAN

¹Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Charles H. Percy, chairman of the Senate Foreign Relations Committee (text from White House press release). ■

firmed the need for realism and strength on our part. Similarly, we concluded that however justifiably strained our relations with the Soviets might become over the KAL shootdown, we should not be the ones to foreclose serious dialogue.

This balance of firm resistance to unacceptable Soviet actions with a readiness to pursue a meaningful dialogue was a central theme of the President's address before the UN General Assembly on September 26. The President gave substance to that message by announcing a threefold initiative in the INF talks in Geneva. Within a week, he followed with a major new initiative in the START negotiations.

I urge you to look closely at what we are proposing in those negotiations. In both cases, we are making a serious effort to address Soviet concerns and achieve equitable and mutually acceptable agreements. In INF, for example, we are moving on an issue—so-called forward-based aircraft—that the Soviets have been raising since the beginning of the SALT I [strategic arms limitation talks] process. Similarly, in START we have now explicitly committed ourselves to tradeoffs between our advantages in bombers and their advantages in missiles.

For their part, the Soviets have not yet responded in any way to reduce tensions. They have sought to maintain a pose of apparent moderation and reason toward the Europeans, while adopting an increasingly shrill tone toward the United States. Indeed, the intemperate language of Mr. Andropov's statement of September 28 was designed to suggest that the Soviets have given up altogether on dealing with the Reagan Administration. This conclusion is not borne out by daily realities. Our channels to the Soviets are open and working. We continue to talk; they continue to talk. In some instances, it is tough talk. It is not yet clear, however, how the Soviets will proceed from here.

We are now in a period of uncertainty as to the immediate future of U.S.-Soviet relations. The Soviets are facing a major foreign policy setback. Should we not reach agreement this fall in Geneva, U.S. deployments of intermediate-range missiles will go forward—an event the Soviet Union has invested considerable political capital to try to block. The Soviets have rejected all efforts at an equitable solution, and all Soviet proposals, including Andropov's offer last week, call for a Soviet monopoly of such weapons. Earlier this week, the Soviet Ministry of

Defense announced intentions to deploy modern, short-range missiles in both East Germany and Czechoslovakia as a countermeasure to the potential U.S. deployments. It is not yet clear what the scope of so-called countermeasures will be, and we do not yet know the extent to which these measures represent improvements to Soviet forces in Eastern Europe that were planned long before the NATO decision was made on U.S. deployments.

We see no justification for "counters" to U.S. deployments, which are responses to Soviet SS-20 missiles already in place in much larger numbers. We also see no justification for suspending negotiations when U.S. deployments begin; over the 2 years of negotiations thus far, the Soviets have deployed some 100 SS-20 missiles. It remains uncertain how long and how widely they are prepared to chill East-West relations over the missile issue. We believe, as the Soviets have said to us and to others in private, that they do not want a confrontation.

Support for Soviet-East European Studies

These uncertainties and as yet unanswerable questions return me to my beginning point—that despite 50 years of intense preoccupation with our Soviet relationship, we still know and understand far too little about the Soviet Union.

In the Administration, and in the State Department in particular, we are acutely aware of the need to rebuild and to strengthen Soviet and East European studies within the United States. That is a resource we cannot afford to neglect any longer.

For those reasons, the Administration fully supports the goals expressed in the Soviet-East European Research and Training Act of 1983, a bill now before the Congress sponsored by Senator Richard Lugar and Representative Lee Hamilton. This legislation would help to provide a stable base for the improvement of our professional Soviet and East European research. The State Department has taken the lead in the Administration's efforts to obtain a separate annual appropriation to administer the programs envisioned in this bill. This financial and administrative mechanism would give us the means to achieve the objectives which all parties—the Congress, the executive, and the academic community—agree are

essential to strengthening our understanding of the Soviet Union.

We still have far to go, both in the development of a more stable and constructive relationship with the Soviet Union and in the development of a better understanding of the Soviet system. I believe we have laid the groundwork for progress in both regards. I welcome your insights in both areas and thank you for inviting me here today. ■

Visit of British Prime Minister

Prime Minister Margaret Thatcher of the United Kingdom of Great Britain and Northern Ireland made an official working visit to Washington, D.C., September 28-30, 1983, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and Prime Minister Thatcher after their meeting on September 29.¹

President Reagan

I have had the pleasure of cordial and productive discussions with Prime Minister Thatcher on a wide range of mutual interests and concerns. Our conversations reflected the superb relations that exist between our two countries and our determination to broaden our cooperation and consultation.

We reaffirm today our resolve to maintain a strong Western defense to protect freedom and maintain peace. We'll carry out our commitments to the alliance, moving forward in the modernization of NATO's conventional and nuclear deterrent. At the same time, I have pledged America's best efforts to reach acceptable agreements on arms reductions with the Soviet Union.

The Prime Minister informed me of what her government is doing to prepare for the scheduled deployment of cruise missiles should we fail to reach an agreement with the Soviets. I expressed the thanks of the American people to the Prime Minister for Britain's strong and unequivocal support on this vital issue.

We also discussed developments in the Middle East, especially the situation in Lebanon, where both our countries are participating in a peacekeeping force. We agree that the solution to that tragic conflict can only come from the

Lebanese themselves, free from all foreign interference. I've reviewed with the Prime Minister U.S. efforts to engage all Lebanese factions in a constructive dialogue toward the goal of withdrawing all foreign forces from their country and reestablishing the rule of peace and law.

Prime Minister Thatcher and I also discussed developments in this hemisphere. I explained our energetic efforts to end the violence that plagues Central America and to promote democracy and economic development in that region.

In our discussion of economic matters, we reaffirmed the course set out at the Williamsburg summit as the best blueprint to sustain economic recovery and counter protectionism. We agreed on the need of resolving any differences between us in matters of trade and commerce.

Prime Minister Thatcher, we're grateful for your visit, your friendship, especially as this month marks the 200th anniversary of the signing of the Treaty of Paris which made us friends instead of countrymen. And when you finish speaking here, we can go over and look at that Treaty of Paris.

Prime Minister Thatcher

Today's visit has been a very important one. I've had just about 2 hours of talks with the President on the many things which he has indicated, all of which are extremely vital for the future of our peoples in our several countries.

I've also seen, earlier this morning, [Treasury] Secretary Regan, when we discussed economic matters and, in particular, the problems of unitary taxation. I saw, too, Mr. Volcker [Paul A. Volcker, chairman, Board of Governors, Federal Reserve System], because naturally we are all concerned that the great international debt position should find a solution which enables trade to continue and those countries to come out of their grievous debt problems.

The President and I started first, as he has indicated, on East-West relations. I think I can put our position like this: We both believe in defending our way of life, and we must do that to keep that way of life secure. But our purpose in having military strength is entirely defensive—to defend our way of life. We would like to be able to have that security at a lower cost in weaponry and in expenditure and in men. In order to achieve that lower cost, we have seriously and continuously to negotiate with the Soviet Union to try to get a balance in

men, materials, weapons, and in nuclear strength. If we can achieve that, we can keep our security at a lower expenditure.

It takes two to negotiate, and the President has constantly put forward detailed proposals to the Soviet Union. Such is the anxiety of the West genuinely to negotiate disarmament reductions. He has put forward the latest proposals. Mr. Andropov has replied. I hope now that the proposals will be seriously discussed by the Soviet Union at the negotiating table. If they are not successful in reaching zero option, the cruise and Pershing missiles will be deployed by the end of this year. Our nerve is being tested; we must not falter now. That should not be the end of the negotiations. I hope and it is my earnest belief that they should continue, so that although we were not able to negotiate zero option, we should be able to negotiate the deployment of a lesser number of weapons than the full total, provided, again, the Soviets will genuinely negotiate on balance.

We have also discussed, as the President indicated, the Middle East, as we're very conscious that although all eyes are focused on Lebanon, the fundamental problem of the Middle East—a secure Israel and a legitimate deal for the Palestinian people—has still to be resolved.

I have pointed out to the President we support his Central American policy and, particularly, the most excellent strategic view he gave of it during his very famous speech in April. And we are constantly pointing out that of the aid which the United States gives to Central America, 75 cents out of every dollar goes to civil aid, and that is a record to be proud of.

We've also had a word about Belize, and I, naturally, as you would understand, have made my views known about arms to Argentina. I discussed with Secretary Regan this morning and again at lunch the wider issues affecting the economy and the importance of trying to secure lower interest rates so that we can get a full recovery in the world which would be to the benefit of the United States, Europe, and also to the peoples of the underdeveloped countries.

If I may sum up, altogether this has been another chapter in the close discussion, consultation, and similar beliefs in shared ideals between the United States and Britain. Against that background, it's not surprising that we find common views and we pursue them with common purpose in the wider world.

¹Made to reporters assembled at the South Portico of the White House (text from Weekly Compilation of Presidential Documents of Oct. 3, 1983). ■

Human Rights Activists in the Soviet Union

DEPARTMENT STATEMENT, OCT. 13, 1983¹

It appears that a new campaign of repression is now underway in the Soviet Union. We have received information that three human rights activists have been tried, and are now being tried, or will come to trial in the near future. Those individuals are Iosif Begun, Father Sigitas Tamkevicius, and Oleg Radzinskiy.

We understand that prisoner-of-conscience Iosif Begun, who was arrested in Leningrad on November 6, 1982, and has spent the past 11 months in custody, came to trial yesterday, October 12, reportedly on charges of "anti-Soviet agitation and propaganda."

The situation of Mr. Begun, who has been seeking to emigrate from the U.S.S.R. since 1971, is well known. A self-taught Hebrew scholar and a leader

in the refusenik community, he has endured numerous hardships and harassments, including a previous 3-year sentence of internal exile, as a result of his efforts on behalf of Jewish culture in the Soviet Union. His courage in defense of religious freedom has earned him respect and admiration worldwide. Nevertheless, despite repeated expressions of concern for Mr. Begun by the U.S. Government, by human rights groups, and by the public at large, the Soviet authorities see fit to pursue their criminal case against him.

The U.S. Government has long taken an active interest in Mr. Begun and has raised his case at many levels. Diplomats at our Embassy in Moscow have requested permission to travel to Vladimir, the site of the trial, but that permission has been refused. Because Vladimir is an open city, close to Moscow, and frequently visited by

foreigners, we must conclude that this refusal to grant routine travel permission stems from Soviet unwillingness to allow Western observers to attend Mr. Begun's trial.

The U.S. Government condemns the proceedings now underway against Iosif Begun. The past half year has seen a number of Soviet actions, such as new measures against such prominent refuseniks as Lev Elbert and Yakov Mesh, and an increase in officially sanctioned anti-Semitism, which underscore the Soviet Union's poor performance on human rights questions in general and on issues involving Soviet Jewry in particular. The trial of Mr. Begun—so soon after the CSCE [Conference on Security and Cooperation] review in Madrid—can only further call into question the Soviet Union's commitment to the human rights it professes to respect. We call upon the Soviet authorities to acknowledge the legitimate widespread concern for the plight of Mr. Begun and to grant him the permission to emigrate he has so long sought.

We have also received reports that Father Sigita Tamkevicius, a Lithuanian Catholic priest who has been active on behalf of religious freedom in the Soviet Union, has come to trial or will do so shortly. Father Tamkevicius, who with Father Alfonsas Svarinskas, was a founder of the Catholic Committee for the Defense of Believers' Rights, was arrested May 6 of this year in the hall of the courthouse in Vilnius, Lithuania, in which the trial of Father Svarinskas was taking place. (Svarinskas was that same day sentenced to 7 years of internal exile and 3 years in a labor camp.) We do not at present have information on the charges against Father Tamkevicius, but it seems likely that he will face the same charges leveled against Mr. Begun and, earlier, Father Svarinskas—"anti-Soviet agitation and propaganda." The U.S. Government condemns this kind of official persecution of those in the U.S.S.R. who seek to exercise the basic right of freedom of worship, and we hope that Father Tamkevicius will not suffer the same fate as his colleague Father Svarinskas.

Finally, we have received reports that Oleg Radzinskiy will also come to trial soon. Mr. Radzinskiy, a member of the unofficial Soviet peace organization "Group to Establish Trust Between the U.S. and the U.S.S.R.," was arrested October 28, 1982, and has been held for almost a year. Mr. Radzinskiy, too, reportedly faces charges of "anti-Soviet agitation and propaganda." The inability of the Soviet authorities to tolerate the

activities of those such as Mr. Radzinskiy who try to work for peace and disarmament outside the channels of the official, government-controlled, "captive" peace group must inevitably call into question much-repeated Soviet statements regarding the U.S.S.R.'s commitment to peace. There is a stark contrast between aggressive Soviet efforts to encourage peace demonstrations in the West and their arrests and exile of peace activists in the East.

DEPARTMENT STATEMENT (EXCERPT), OCT. 15, 1983²

It is our understanding that after a 2-day trial that was closed to outsiders, human rights activist Iosif Begun has been sentenced to 7 years in prison and 5 years of internal exile, the maximum sentence for violation of Article 70 of the Soviet criminal code—anti-Soviet agitation and propaganda.

The trial was not held in Vladimir Oblast Court, as scheduled, but was held in a small administrative room that is part of the Vladimir Prison and was closed to Begun's family and friends. Begun's wife, Inna Speranskaya, did attend as a witness, but we understand that her husband, who was conducting his own defense, was not allowed to cross-examine her. Several of Begun's friends requested but were denied permission to observe the trial.

PRESIDENT'S STATEMENT, OCT. 18, 1983³

Barely a month after attending an international conference in Madrid and joining 34 nations in a commitment to respect human rights, the Soviet Union has gone back on its word, launching a new campaign of repression against human rights activists.

Moscow has just sentenced a well-known Soviet refusenik, Iosif Begun, to 7 years imprisonment and 5 years internal exile. The punishment of this courageous Jewish believer is the most severe measure specified in Article 70 of the Soviet criminal code, dealing with dissemination of so-called anti-Soviet propaganda. Soviet persecution of religious and political dissidents is not new. In the case of Mr. Begun, the Soviet regime has refused for 13 years to honor his request to emigrate to Israel.

But Soviet policy toward Jewish emigration and dissident movements has sunk to a new low of brutality and repression. Anti-Semitism has escalated dramatically, as has harassment of other human rights defenders. We have received reports that Father Sigita Tamkevicius, a Lithuanian Catholic priest active on behalf of religious freedom, is facing a similar fate as Iosif Begun.

Finally, we have received reports that Oleg Radzinskiy has also been tried. Mr. Radzinskiy, a member of the unofficial Soviet peace organization Group To Establish Trust Between the U.S. and U.S.S.R., was arrested October 28, 1982, and has been held for almost a year. The inability of Soviet authorities to tolerate any activities by those who are not members of their government-controlled "captive" peace groups illustrates the hypocrisy of their statements. There is a night and day contrast between aggressive Soviet efforts to encourage peace demonstrations in the West and their brutal arrests and exile of peace activists in the East.

We condemn these illegal and inhumane acts. We hold the Soviet Union accountable for its violations of numerous international agreements and accords on human rights to which it is a party. We call upon the Soviets to reverse their inhumane policies and to prove to the world they will back up their words with action and start living up to their agreements.

¹Made available to news correspondents by Department spokesman John Hughes.

²Made available to news correspondents by acting Department spokesman Sondra McCarty.

³Text from Weekly Compilation of Presidential Documents of Oct. 24, 1983. ■

Visit of President of West Germany



(White House photo by Michael Evans)

President Karl Carstens of the Federal Republic of Germany made a state visit to the United States October 3-14, 1983. While in Washington, D.C., October 3-6, he met with President Reagan and other government officials.

Following are remarks made by Presidents Reagan and Carstens at the arrival ceremony on October 4.¹

President Reagan

I'm delighted to welcome you and your party to Washington and to the United States.

During my inspiring visit to Bonn in June 1982, we agreed that you would come to this country for an official visit as part of our joint celebration of German-American friendship.

This year has special significance. We celebrate the 300th anniversary of the first German immigration to America. Those first families—or settlers, I should say—were 13 families from the Rhineland. They were followed by millions of their countrymen—men, women, and children—who became a

strong thread running through the fabric of America. German-Americans have meant so much to the development of this nation. And today German-American friendship is vital to the security and freedom of both our peoples.

Nineteen eighty-three is a landmark year for our two countries and for the NATO alliance as a whole. We and the rest of our allies must continue to have the courage and mutual trust to do what is necessary to maintain peace and security in Europe.

We decided in December 1979 that if no agreement with the Soviet Union could be reached, maintaining a balance of force in Europe would require the modernization of NATO's deterrent forces. So far, the Soviet Union has not been willing to negotiate a fair and verifiable arms reduction agreement with us. Let there be no mistake; an agreement will be far better for all concerned. We seek the elimination of these weapons, and we will continue our unflagging efforts to reach an acceptable agreement. But if the Soviet intransigence continues, we must begin deployment and ensure NATO's deterrent.

We're confident that the alliance will meet this challenge and that the strength of the German-American partnership will be a major factor enabling NATO to do so. For our part, we remain convinced that a strong NATO alliance remains the key to European peace, and German-American cooperation and trust are the linchpin of that alliance.

In meeting today and in your visit to many parts of the United States, I believe that you will see that the reservoir of good will our people hold for the Federal Republic of Germany runs just as deep as ever.

By resolution of both our Congress and the German *Bundestag* and by my proclamation of last January, the year 1983 is the tricentennial year of German settlement in America. Commemoration of this momentous event in the life of our two nations has been and will be vigorous on both sides of the Atlantic. The cities on your itinerary are poised to welcome you. The people of America are waiting to share the high points of their celebrations with you. Your presence here marking this anniversary touches us deeply. We are proud to say—and I hope I can correctly—*Wir heissen Sie*

willkommen. We greet you. We welcome you. We cherish your friendship. And may God bless you and Mrs. Carstens.

President Carstens

Thank you very much for your warm words of welcome and thank you for your invitation to visit this country together with the Vice Chancellor and Foreign Minister, Mr. Genscher.

I'm looking forward to my talks with you, with the Vice President, with the Secretary of State, with Members of Congress. And I'm looking forward to meet thousands of American citizens while traveling through this country.

The purpose of my visit is to strengthen the ties of friendship between the Federal Republic of Germany and the United States of America. We commemorate the arrival of the first German settlers in Philadelphia 300 years ago. And you proclaimed that day as a day which we all should celebrate. We also commemorate the contribution which millions of German emigrants made to the building of the American nation.

But I further want to express the gratitude of us Germans toward the American people for what they did after two World Wars. And I have only to recall millions of CARE parcels which were sent from America to Germans when we were in great need. I have only to recall the Marshall Plan, which saved our economy after World War II. And I have only to recall the Berlin airlift of 1948-49, which saved the freedom of Berlin.

Today, we are partners in the North Atlantic alliance, the most efficient alliance of modern times because it has preserved peace and freedom for its members over a period for more than 30 years. Under the terms of this alliance 250,000 American soldiers serve in Germany. We greet them as allies, partners, and friends. And in saying this, I speak in the name of the vast majority of the citizens of the Federal Republic of Germany.

But we are not only linked by our alliance, we also have—and I think that is as important—common values underlying our system of government. And by that I mean democracy, personal freedom, human dignity, and rule of law. Looking to the future, I think we must give our peoples the opportunity to understand each other even better. And particularly we must give this opportunity to the young generation.

While I'm here, I shall, together with members of the German parliament—and I'm happy to say that Mrs. Renger, the vice president of the parliament, is here—I shall work for the implementation of different exchange programs under which more than 10,000 young Americans will go to Germany and young Germans will go to America. This is, I think, the best way for nations to become friends, because they will realize that we, the Germans, and you, the Americans, have much more in com-

mon than most of them have been aware of.

I am happy to be back in America, a country to which I owe personally a great deal, namely part of my legal education at one of your finest universities.

¹Held on the South Lawn of the White House where President Carstens was accorded a formal welcome with full military honors (text from Weekly Compilation of Presidential Documents of Oct. 10, 1983). ■

Visit of Italy's Prime Minister



White House photo by Pete Souza

Prime Minister Bettino Craxi of the Italian Republic made an official working visit to Washington, D.C., October 19–21, 1983, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and Prime Minister Craxi after their meeting on October 20.¹

President Reagan

Prime Minister Craxi visits us as the leader of one of America's closest and most stalwart allies. Italy in recent years has emerged as one of the principal nations of the Western alliance. Prime Minister Craxi, by assuming leadership of the Italian people, has quickly established himself as a major figure in global politics. We're impressed by the dynamic and statesmanlike leadership provided by the new Italian Government, and we're particularly pleased by this opportunity today to deepen our consultations and broaden our cooperation with our trusted Italian friends.

Italy is playing a crucial role in the NATO effort to correct the imbalance in nuclear forces in Europe. In our discussion today, Prime Minister Craxi and I reviewed the INF [intermediate-range nuclear forces] negotiations between the United States and the Soviet Union and reaffirmed our goal—equitable and verifiable agreement. If Soviet intransigence continues, we're committed to NATO deployment of U.S. missiles. We remain hopeful that an understanding will be reached, and we'll continue negotiations even after initial deployments. Indeed, for 2 years the United States has negotiated in good faith while the Soviets have continued to deploy theater nuclear weapons.

The Prime Minister and I also reviewed developments in other arms control fields. The United States and Italy share a common approach to the forthcoming Conference on Disarmament in Europe, where we will be attempting to reduce the risk of surprise attack in Europe by improving observation capabilities and by providing a better understanding of military forces and activities. We're striving for reductions of conventional forces and to establish parity in ground forces in central Europe. I expressed to the Prime Minister our deep appreciation for the positive contributions Italy is making to Mediterranean security and to the search for peace in the Middle East.

Italy was among the first nations to offer its forces for service in the Sinai to help implement the historic Camp David accords. Italian and American soldiers now are bearing the difficult burdens of peacekeeping in Lebanon. We are cooperating there not only in keeping the peace but making peace as well. The Prime Minister and I reviewed our common efforts to promote genuine political

reconciliation within Lebanon and to work toward the restoration of Lebanese sovereignty throughout that troubled nation. I cannot overemphasize the importance of the Italian diligence in this crucial effort.

We examined the world economy, discussed our respective efforts to deal with the economic challenges we face. I expressed our understanding of the difficult economic problems Italy presently confronts and our support for the tough but essential measures the Italian Government is taking to restore balanced and noninflationary growth. I expressed the hope that our own strong recovery would help Italy lift itself out of its present recession.

I've been especially impressed by Prime Minister Craxi's commitment to attack organized crime and narcotics trafficking. We share a crucial interest in efforts to suppress the international traffic in narcotics. Accordingly the Prime Minister and I have agreed to establish a joint Italian-American working group on organized crime and narcotics trafficking.

Prime Minister Craxi comes to our shores as an especially welcome guest. In international affairs where the element of personal trust is so essential, such meetings as this are invaluable. I'm delighted to say that the Prime Minister and I have laid the basis today for continuing the open, cooperative, and mutually helpful relationship which has been traditional between our two governments and their leaders.

Prime Minister Craxi²

I am particularly grateful to President Reagan for the warm welcome accorded me during my visit to the United States. I consider this welcome primarily as an homage to the Italian nation. I also thank President Reagan for the special attention that, together with members of his government, he has dedicated to the problems and to the views which I've had the opportunity to expose to him this morning on behalf of the Italian Government.

I, myself, have conveyed to President Reagan the message of friendship from the Government of Italy and from the Italian people to the government and to the American people, also—a friendship that belongs to the history of our democratic tradition as well as to the future of our two countries.

During our talks, which have been friendly and open and, I believe, reciprocally very useful, we have carefully examined—with mutual constructive

hopes—several matters. These matters are essential to attain peace both in Europe and in the world: problems and prospects of international economy, the development of Italian-American relations, issues of common interest for industrial cooperation and for an in-depth struggle against crime and the international drug traffic connected to it.

Both the United States and Italy are firmly seeking peace, which they consider with absolute conviction the most precious gift to mankind, and are both committed to solve international problems and disputes through peaceful means. Within the framework of the Atlantic alliance, our two governments will work toward strengthening peace, aiming to maintain open prospects for negotiations in the field of disarmament and arms control so as to guarantee peace through security.

On the question of nuclear balance in Europe, which presently is the most important in East-West relations, we intend to maintain the present system of close consultation and of constructive solidarity and to develop a line of combat coherent with decisions already adopted by our countries. We have followed the path of negotiations which must remain open in any case. Should a launching of the program for the modernization of NATO missile systems occur, due to the negative negotiation policy followed by the U.S.S.R. and by the Warsaw Pact, our intention is to continue to urge Soviet willingness toward serious negotiations without preconditions, aimed at achieving a reasonable agreement, providing for some means of control and some guarantees toward an equilibrium of the agreed forces at the lowest possible level, a policy of peace, which must operate in every region of the world so as to terminate conflicts and to reduce the most dangerous frictions, in full respect of the sovereignty of nations and of the rights of peoples.

In this spirit Italy intends to assure its constructive contribution by taking upon itself direct responsibilities in humanitarian and peace missions, such as is the case for the Sinai and Lebanon, aimed at achieving unity, independence, and the reconstruction of Lebanon.

However, a policy of peace must necessarily be linked to a wider international economic cooperation. This is why we have compared our points of views on the difficult period that the world economy is experiencing. In view of fostering a stable and lasting recovery,

Italy and the United States must promote a further increase in the volume of their trade and cooperation which will further strengthen the excellent political relations already existing between our two countries.

Also, in view of an ever-effective fight against organized crime which is involved in international drug traffic and which is challenging and threatening our societies, a special joint commission will be set up and the necessary steps will be taken so that it may operate in the most effective way.

In our meeting today, both President Reagan and myself have reaffirmed the feeling of friendship which binds our two countries, reaffirming the commitment of our governments for the safeguard of peace.

¹Made in the East Room at the White House (text from Weekly Compilation of Presidential Documents of Oct. 24, 1983).

²Prime Minister Craxi spoke in Italian, and his remarks were translated by an interpreter. ■

World Food Day, 1983

A PROCLAMATION OCT. 14, 1983¹

An adequate wholesome food supply is essential to the physical and economic well-being of every individual and every nation. Countries throughout the world are dedicated to eliminating poverty-related hunger to the fullest extent possible. Although this objective is widely acknowledged, the resources and policies needed to achieve that object vary widely from country to country.

This Nation is richly endowed with natural resources. Through the generations, our people have developed the knowledge, the technology, the policies, and the economic system to transfer our endowment into agricultural abundance. Not all nations are similarly endowed. Hunger persists throughout the world. The Food and Agriculture Organization of the United Nations estimates that as many as 500 million people suffer from poverty-related malnutrition, especially in lesser developed countries.

The United States has a long tradition of sharing its agricultural abundance with those in need. We are strongly committed to the constitution of the Food and Agriculture Organization, which calls upon member nations to "raise the levels of nutrition and standards of living of the peoples under their respective jurisdiction" and to contribute to "expanding the world economy and ensuring humanity's freedom from hunger." We have sought, and will continue to strive, to improve the economies and food production abilities of those countries where the need is greatest.

To this end, the United States has provided needy nations more than \$40 billion of assistance under the Food for Peace program since 1954. This year alone our food aid activities are assisting 70 countries. We are training an average of more than 2,000 agriculturalists per year from developing countries, and we are providing technical assistance to 50 nations in Asia, Africa, and Latin America to help develop their food

research and production capabilities. In addition, we actively encourage American businesses to invest in projects that help build the agricultural economies of developing countries.

The people of the United States, as well as the people of other countries that have joined in the battle against hunger, can justifiably share a sense of accomplishment in the fact that food production per person has increased 21 percent in lesser developed countries since 1954. The concern of the international community with the problem of poverty-related malnutrition is reflected in the response to World Food Day. We particularly salute the Food and Agriculture Organization which, on World Food Day this year, celebrates 30 years of dedication to the elimination of hunger and malnutrition.

In recognition of one of the key recommendations of the 1980 report of the Presidential Commission on World Hunger, that called for efforts to be taken to increase public awareness of the world hunger problem, the Congress of the United States, by Senate Joint Resolution 81, has designated October 16, 1983, as "World Food Day" and has requested the President to issue a proclamation in observance of that day.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim October 16, 1983, as World Food Day and call upon the people of the United States to observe that day with appropriate activities to explore ways in which our Nation can further contribute to the elimination of hunger in the world.

In Witness Whereof, I have hereunto set my hand this fourteenth day of October, in the year of our Lord nineteen hundred and eighty-three, and the Independence of the United States of America the two hundred and eighth.

RONALD REAGAN

¹Proclamation 5118 (text from Weekly Compilation of Presidential Documents of Oct. 17, 1983. ■

The Cuban Revolution and Its Impact on Human Rights

by Elliott Abrams

Address before a conference on Cuba sponsored by the Center for Strategic and International Studies in Washington, D.C., on October 6, 1983. Mr. Abrams is Assistant Secretary for Human Rights and Humanitarian Affairs.

It is a privilege and a pleasure for me to be here this afternoon. Public discourse about Cuba in the United States is preoccupied with the problem of how we can best respond to Castro's foreign policy initiatives. It seems to me, however, that in addition to focusing on Cuba's foreign policy, we would do well to pay greater attention to Cuba's domestic policy. Were we to do so, I think we would gain a greater insight not only into the sources of Cuban foreign policy but also into a variety of problems confronting the United States throughout the so-called Third World. For this reason, I propose to address my remarks this afternoon to the evolution of the Cuban revolution and particularly to its impact on the human rights situation within Cuba.

Evolution of the Cuban Revolution

The July 26 Movement, which overthrew the Cuban dictator Fulgencio Batista in 1959 and brought Fidel Castro to power and international prominence, was liberal and democratic in character. In

the manifesto maintained that the struggle in the mountains was being waged to "put an end to the regime of force, the violation of individual rights, the infamous crimes, and to seek the peace we all yearn for through the only possible way, which is the democratic and constitutional way of the country." As late as July 1958, Castro reiterated his determination to "... guide the nation, after the fall of the tyrant [Batista], to normality by instituting a brief provisional government that will lead the country to full constitutional and democratic procedures."

Castro was also consistent in his denial of any intention to experiment with socialism. In an interview given to *Coronet* magazine in February 1958, he stated:

I personally have come to feel that nationalization is, at best, a cumbersome instrument. It does not seem to make the state any stronger, yet it enfeebles private enterprise. Even more importantly, any attempt at wholesale nationalization would obviously hamper the principal point of our economic platform—industrialization at the fastest possible rate. For this purpose, foreign investments will always be welcome and secure here.

And, again, in May of 1958, Castro declared:

Never has the July 26 Movement talked about socializing or nationalizing the industries. This is simply stupid fear of our revolution. We have proclaimed from the first

... the human rights of Cubans are systematically denied, subordinated to the aims of the Cuban Communist Party, as defined by its "Maximum Leader," Fidel Castro.

the programmatic manifesto of the movement, issued from the Sierra Maestre in July 1957, Castro declared that after coming to power he would hold "general elections" that would provide an "absolute guarantee" of freedom of association, of information, and of the press and would restore the individual and political rights guaranteed by the Constitution of 1940, which Batista had violated by his coup in 1952. Further,

day that we fight for the full enforcement of the Constitution of 1940, whose norms establish guarantees, rights, and obligations for all the elements that have a part in production. Comprised therein is free enterprise and invested capital. . . .

Once the July 26 Movement succeeded in overthrowing Batista, however, hopes that Cuba would tread a democratic path lasted a few months at best. Within 6 months of becoming

Prime Minister, Castro made it clear that to be an anticommunist was considered an unfriendly act by the government. Within a year of the new regime's coming to power, Cuba was visited by Anastas Mikoyan, Vice Chairman of the Soviet Council of Ministers, with commercial proposals and plans for arms deals. In December of 1961, Castro completed his betrayal of the Cuban revolution by formally announcing his commitment to Marxism-Leninism.

Some students of the Cuban revolution have argued that Castro had been a Marxist-Leninist since his student days and that all his democratic protestations were no more than an elaborate disinformation campaign, but this seems quite unlikely. Even more unlikely is the view that the United States somehow forced Castro into embracing communism. In this connection, President Eisenhower's decision to play golf rather than receive Castro for lunch when the Cuban leader was visiting this country in April 1959 has often been cited as a particularly egregious blunder. Yet, as the noted historian of the Cuban revolution Hugh Thomas has pointed out:

It is impossible to believe that a powerful revolutionary leader, such as Castro has turned out to be, was diverted from the humdrum business of founding a constitutional regime, with all the paraphernalia of an opposition, elections, a fixed term for public office and so on, by that unfortunate golf engagement.

Least likely of all is the possibility that Castro came to Marxism-Leninism through genuine intellectual conviction. In the speech in which he avowed his commitment to Marxism-Leninism, Castro admitted that he could not bring himself to read more than the first 270 pages of the first volume of Marx's *Das Kapital*. His brother, Raul Castro, informed *The New York Times* journalist, Herbert Matthews, that Fidel had read virtually none of the Marxist classics. "We read about three chapters of *Das Kapital*," Raul claimed, "and then threw it aside, and I am certain that he never looked at it again."

Yet the fact that Castro is a man of action rather than a close student of Marxism-Leninism hardly means that he knows nothing about it. He surely recognizes, for example, that Marxism-Leninism provides a simple and

prestigious formula which legitimizes the indefinite rule of a tiny elite over an entire society. Under a democratic system of government, Castro would have had to face the possibility that he might one day find himself deprived of power. In a Marxist-Leninist dictatorship, however, his power, both in tenure and in scope, is without limit. To a man like Castro, whose whole life has been bound up with a desire to play a major role in world history, this factor alone would predispose him in favor of Marxism-Leninism.

Marxism-Leninism has other features, also, which caused Castro to embrace it. It is the official ideology of the Soviet Union, and thus, by adopting it, Castro assured himself of Moscow's support. It identifies the United States as the principal force of oppression in the world today and thus reinforced the strong current of anti-Americanism which Castro shared with many other Cuban nationalists of his generation. It enjoys a worldwide following of prestigious writers and thinkers—and thus his avowal of Marxism-Leninism won Castro the backing of influential intellectuals from Jean-Paul Sartre to C. Wright Mills, to a bevy of more recent examples. And, not least important, Marxism-Leninism is an ideology which justifies—indeed, which idealizes—the resort to ruthlessness in dealing with one's political opponents. As he set about consolidating his power base, betraying his colleagues in the July 26 Movement, and creating a repressive, Marxist-Leninist state, Castro's ruthlessness became more and more in evidence. Today, it shows no signs of abating, and Cuban society has been completely remade along totalitarian lines. To quote the historian Hugh Thomas again:

The chief difference between Batista and Castro was not that the first was ruthless and the second just; on the contrary, Batista's tyranny seems, from the angle of the present, a mild and indolent undertaking, an insult to responsible citizens no doubt, but far removed from the iron certainties imposed by Castro.

The Impact on Human Rights

Let me turn, then, to a discussion of the state of human rights under the "iron certainties" imposed by the Castro dictatorship on the people of Cuba.

Cuba today is governed by the Communist Party of Cuba through a governmental structure which it designed and totally controls. The Communist Party dominates all aspects of economic, political, educational, cultural, and intellectual

life. Under these circumstances, the human rights of Cubans are systematically denied, subordinated to the aims of the Cuban Communist Party, as defined by its "Maximum Leader," Fidel Castro.

Freedom of speech and the press, for example, do not exist in Cuba. All media outlets are owned by the government or party-controlled organizations

the Cubans defended the sentences, explaining they were necessary to block any possible attempts to set up a Solidarity-style organization.

The Cuban Government also enforces an active antireligious policy. In the early years of the revolution, the extensive Catholic educational system was destroyed by the government and hun-

Political meetings and work obligations are regularly scheduled to conflict with religious observances. The July 26 national holiday has been promoted as a replacement for Christmas. . . .

and operate strictly according to Communist Party guidelines. No criticism of the policies of the government, the party, or the leadership is permitted. Artistic expression is also covered by these restrictions, which require that artistic works serve to reinforce the goals of the government. Foreign publications, except those from other communist countries, are not available. Even private expression of differences with government policies is repressed by an informer network operated by the politicized block committees, known as the Committees for the Defense of the Revolution. Those who violate the prohibitions against criticizing the government are imprisoned, and even those suspected of potential opposition can be incarcerated or detained in prison after the expiration of their sentences under the so-called *ley de peligrosidad*.

Freedom of assembly does not exist in Cuba either. No free trade unions are allowed to function. The Communist Party operates a so-called "trade union" federation called the Confederation of Cuban Workers, which acts to enforce labor discipline, encourage higher productivity, and reduce labor costs, rather than to defend workers' interests. The rights to bargain collectively and to strike are not recognized. In the last year, over 200 workers have been prosecuted for trying to organize strikes in the sugar and construction industries. Five trade unionists were condemned to death. But, according to reports, their sentences were reduced to 30 years after their cases became public knowledge. The Cuban Government, after at first denying the facts, has said the "terrorists" received severe sentences. At the recent conference of the World Federation of Trade Unions in Prague,

dreds of priests were expelled from the country.

Today, a network of formal and informal restrictions has the effect of limiting religious activity. The official state ideology of atheism is taught on all levels of the educational system. Specific constitutional and statutory provisions are designed to restrict religious observance and education.

Among other restrictions on religious practice enforced by the Cuban Government are discrimination against religious believers in educational and employment opportunities, prohibition on religious media, and restriction on the construction of new churches. Political meetings and work obligations are regularly scheduled to conflict with religious observances. Cuban law prohibits the observance of religious events when they conflict with work obligations or patriotic celebrations. The July 26 national holiday has been promoted as a replacement for Christmas, and the availability of toys for children has been limited to the 26th-of-July period to the exclusion of Christmas. Similarly, Holy Week observances are preempted by the week-long celebration of the Bay of Pigs fiasco.

Freedom of emigration also does not exist in today's Cuba. Although Castro claims that Cubans are free to emigrate, and though some left Cuba, as in the Mariel exodus of 1980, the Cuban Government routinely refuses to allow citizens to leave the country; there is thus a backlog of some 200,000 Cubans who have applied to emigrate. Those who opt to leave Cuba lose their jobs, ration cards, housing, and personal possessions. Then the emigrants are subjected to government-orchestrated mob attacks called "assemblies of repulsion"

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and are required to work in agriculture until they leave the island, a period that can extend indefinitely. Persons who have attempted to flee Cuba by seeking refuge in diplomatic missions have been arrested and sentenced to terms of up to

... deeply concerned about the plight of numerous recent refugees who have been identified as mentally ill. There is growing evidence that many of these Cuban citizens were bused from Cuban mental hospitals to the Freedom Flotilla to the United States. If this is the case, the transplantation of these

Freedom House, the Cubans, like the Soviets, are using psychiatric hospitals as prisons.

Although apologists for Castro sometimes claim that these measures were necessary in order to bring about the rapid modernization of the Cuban economy, in fact, Castro's dictatorship has deprived the Cuban people of their opportunity for a better economic future. In 1958, Cuban income per capita was the fourth or fifth highest in the hemisphere. A recent independent study indicates it is now under \$1,000—which would make it at best about 12th. If present trends continue, by the end of the century Cuba will be one of the lesser developed countries of the Americas.

Castro's betrayal has also cost the Cuban people their independence. In 1959, Cuba paid its own way. Now even its stagnant standard of living can only be maintained with huge Soviet hand-outs—\$4.7 billion in economic aid alone in 1982, \$25 billion over the last 7 years. But this aid is no bargain for Cubans. For in return, Cuba sends combat and backup troops to countries where the Soviets seek to establish a sphere of influence. In Angola and Ethiopia they spill their blood and that of Africans to protect leftwing dictatorships from the anger of their own people. All told, there are some 70,000 Cubans, the so-called "internationalists," who serve the Soviet Union's interests in foreign lands.

It comes as no surprise, then, to learn that as a result of 24 years of communist control, more than 1 million Cubans—over 10% of the island's inhabitants—have fled their homeland. Deprived of their civil and political liberties, their national independence, and their hopes for a better future, Cubans have demonstrated their dissatisfaction with the regime through the only means available to them—by "voting with their feet."

This, in broad outline, is the state of human rights in Cuba. It is not a very pretty picture. Neither, for that matter, is it a new picture. The facts about Cuban repression have been available for many years now. Yet for just as many years, not a few intellectuals and journalists have been systematically denying these facts. I will not attempt, at this time, to describe this rather disgraceful episode in any detail. Those who are interested in such matters should consult a marvelous book by Paul Hollander called *Political Pilgrims*. I cannot resist, however, giving one example of the kind of wild misinformation about Cuba which has helped to shield the regime

Political prisoners who refuse "reeducation" are subject to particularly harsh penalties, including the denial of clothing, medical attention, and communication with friends and relatives outside prison.

30 years. According to an *Agence France Press* report, for example, the noted Cuban dissident, Ricardo Bofill Pages, was arrested on September 27. In April, Bofill had sought refuge in the French Embassy but was instructed to leave the embassy after the French Ambassador received assurances from the Cuban Vice President, Carlos Rafael Rodriguez, that he would be allowed to leave the country. Subsequently, two *Agence France Press* personnel were put under house arrest and expelled from Cuba after 9 days.

The case of Cuban Ambassador Gustavo Arcos Bergnes is also instructive. Arcos fought and was wounded at Castro's side during the famous July 26, 1953, attack on Batista's Moncada barracks. When Castro took power, Arcos was named Cuban Ambassador to Belgium, the Netherlands, and Luxembourg. But, in the mid-1960s, he was recalled and imprisoned for 4 years for his democratic beliefs. In 1979 his son was gravely injured in a motorcycle accident in Florida. The U.S. Congress appealed to the Cuban Government to allow Arcos to visit his son. The appeal was refused. Months later, Arcos was charged with attempting to leave the island without the necessary papers and was given a 7-year prison sentence.

The reverse policy, forced emigration, can be just as cruel. Suddenly, in 1980 the emigration gates were opened. During the rush that followed out of the port of Mariel, when 125,000 Cuban "boat people" fled to our shores, the Castro government shipped along many of Cuba's psychiatric patients. The American Psychiatric Association denounced this action on September 28, 1980, saying it was:

patients constitutes a grossly inhumane act since it deprives the patients of their right to psychiatric treatment within the context of their culture and primary language.

Of course, the Cuban Government has refused to take back any Marielitos—including those who seek voluntarily to return.

The Cuban Government has never allowed international groups to visit Cuba to investigate human rights conditions. Organizations such as Amnesty International and the International Red Cross, which have sought access to Cuban political prisons, have been rebuffed. No domestic human rights organizations are permitted to exist. Most sources, however, place the current number of political prisoners at up to 1,000, some of whom have been jailed since 1959, making them among the longest held political prisoners in the world.

Conditions in Cuban political prisons are barbaric and include the use of torture. The recent report by Americas Watch stated there are 250 political prisoners held under brutal conditions. Political prisoners who refuse "reeducation" are subject to particularly harsh penalties, including the denial of clothing, medical attention, and communication with friends and relatives outside prison. Political prisoners whose terms have expired have been re-sentenced to terms of indefinite length. The Cuban legal system does not provide internationally recognized standards of due process for defendants and is used to impose criminal sentences on individuals who have been imprisoned for political reasons, including lawyers attempting to defend political prisoners and those trying to establish free trade unions. According to reports received by

from international censure. I quote from a book published in 1975 by two prominent Americans, Frank Mankiewicz and Kirby Jones, titled *With Fidel: A Portrait of Castro and Cuba*:

... Castro's Cuba is prosperous and its people are enthusiastic, reasonably content and optimistic about the future. Perhaps the overriding impression of three trips to Cuba is the enthusiasm and unity of the Cuban people. They are proud of their accomplishments and sing songs about themselves and their country that reflect this self-pride. . . . The people work together and work hard—for what they believe to be good for their neighbors and therefore their country.

Relation to U.S. Foreign Policy Issues

At the outset of my remarks, I said that a better understanding of the history of the Cuban revolution could throw light on a number of vexing foreign policy issues. Let me conclude, then, by citing two examples of what I mean.

As everyone here knows, the wisdom of U.S. policy toward Nicaragua is currently the subject of much debate. On the one hand, critics of the Nicaraguan regime warn about the development of totalitarianism in Nicaragua. On the other hand, defenders of the Nicaraguan Government vigorously deny these charges. It must be difficult, at times, for the average American to know just whom to believe.

Yet a knowledge of the history of the Cuban revolution would help place Nicaraguan events in historical perspective. For what is most striking about the unfolding of the Nicaraguan revolution is the degree to which it parallels the development of the Cuban revolution. Thus, in both Cuba and Nicaragua, a popular movement helped to topple a corrupt dictatorship. In both Cuba and Nicaragua, the aims of this movement were broadly democratic. In both Cuba and Nicaragua, the United States assisted the democratic movement by embargoing arms supplies to Batista, in the one case, and Somoza, in the other. In both Cuba and Nicaragua, the aims of the democratic revolution were betrayed—by Castro in Cuba and by Castro's Sandinista admirers in Nicaragua. In both Cuba and Nicaragua, genuine democrats who had helped defeat the old dictatorships broke with the new regimes and either fled or faced persecution. And in both Cuba and Nicaragua, supporters of the new regimes hailed them for their humane, democratic character and denied the mounting evidence of repression and intimidation.

In one significant respect, however, the Cuban and Nicaraguan revolutions differ from one another. In the case of the Cuban revolution, Castro succeeded in establishing a totalitarian dictatorship. In the case of the Nicaraguan revolution, while the totalitarian mold is clearly in place, it has yet to harden: the Sandinistas have not yet succeeded in destroying the prospects for Nicaraguan democracy altogether. But, if anyone wonders what human rights conditions will be like in Nicaragua if the Sandinistas do succeed, he has only to look at Cuba today.

A knowledge of the history of the Cuban revolution also helps to clarify our understanding of the difficulties which genuine democrats face through-

often find themselves abandoned by their natural allies and reviled by left-wing intellectual elites. Anyone who doubts the essential accuracy of this generalization has but to compare the contrasting ways in which the democracies of Western Europe have reacted to the totalitarian revolution in Nicaragua and the democratic revolution in El Salvador. Toward Nicaragua, the attitude has been one of admiration and respect. Toward El Salvador, the attitude has been one of hostility and contempt.

In order to help redress the balance in favor of the democrats, President Reagan has made the development of democracy around the world a central goal of our foreign policy. Just as

In 1959, Cuba paid its own way. Now even its stagnant standard of living can only be maintained with huge Soviet handouts—\$4.7 billion in economic aid alone in 1982 . . . in return, Cuba sends combat and backup troops to countries where the Soviets seek to establish a sphere of influence.

out much of the so-called Third World today. For the factors which lead Castro to opt for Marxism-Leninism 22 years ago are still operative. Any Third World tyrant has only to declare himself a Marxist-Leninist, or a "revolutionary socialist," for his sordid tyranny to acquire instant respectability. Not only will such a declaration gain him the support of the entire Soviet bloc but it will also call into being a powerful and influential body of intellectuals which will act as his unpaid lobby in the democratic West. By contrast, Third World regimes which opt for democracy and the West—which are, worse yet, pro-American—will

Abraham Lincoln understood that "a house divided against itself cannot stand," so it is becoming increasingly clear to Americans today that the world itself, "cannot endure permanently half-slave and half-free." Yet if the cause of freedom and human rights is to be defended, we must know who its enemies are. For too many years, Fidel Castro has posed as a champion of liberty and has succeeded in concealing the totalitarian nature of his regime. Surely the time has come to identify Castro for what he is—one of the most vicious tyrants of our time, whose rule has brought ruin to his people. ■

Terrorist Attack Against U.S. Forces in Beirut

In the early morning hours of October 23, 1983, a truck loaded with explosives was driven at high speed through three barricades and into the lobby of the headquarters building housing the U.S. contingent of the multinational force (MNF) at the Beirut airport. The explosives detonated and more than 250 servicemen were killed and wounded.

PRESIDENT'S REMARKS, OCT. 23, 1983¹

I'm not going to take any questions this morning because we're going right into meetings on the events that have taken place on this tragic weekend. But I would like to make this statement.

I know there are no words that can express our sorrow and grief over the loss of those splendid young men and

the injury to so many others. I know there are no words, also, that can ease the burden of grief for the families of those young men.

Likewise, there are no words to properly express our outrage and, I think, the outrage of all Americans at the despicable act, following as it does on the one perpetrated several months ago, in the spring, that took the lives of scores of people at our Embassy in that same city, in Beirut.

But I think we should all recognize that these deeds make so evident the bestial nature of those who would assume power if they could have their way and drive us out of that area that we must be more determined than ever that they cannot take over that vital and strategic area of the Earth, or, for that matter, any other part of the Earth.

WHITE HOUSE STATEMENT, OCT. 23, 1983²

The President held extensive meetings today with his senior advisers to consider the U.S. response to the deliberate and heinous acts of international terrorism in Beirut against American and French forces. These forces are present

President Reagan reviews the Beirut situation with his national security advisers on Sunday morning, October 23, in the White House Situation Room. Clockwise from left are: Robert McFarlane, national security adviser-designate (back to camera); Edwin Meese, Counsellor to the President; Gen. John W. Vessey, Chairman of the Joint Chiefs of Staff; Secretary of Defense Caspar Weinberger; Vice President Bush; the President; Secretary Shultz; John McMahon, Deputy Director of Central Intelligence; and James Baker, the President's Chief of Staff.



(White House photo by Bill FitzPatrick)

to assist a peaceful settlement of the Lebanese crisis. This settlement is essential to regional and world peace. These attacks were clearly designed to weaken our determination and to disrupt the efforts of the Government of Lebanon to regain control and sovereignty over the community. One thing is clear. Those who sponsor these outrages believe that they can intimidate the Government of Lebanon, its people, and their friends in the international community. They are wrong. We will not yield to international terrorism, because we know that if we do, the civilized world would suffer and our values will be fair game for those who seek to destroy all we stand for.

The President has directed that Gen. P. X. Kelley, Commandant of the Marine Corps, depart for Beirut to undertake a complete review of ways to provide better protection for the Marine contingent in Lebanon. We also intend to respond to this criminal act when the perpetrators are identified. The President is consulting closely with our MNF [multinational force] allies and the Lebanese Government. Our actions will be resolute and consistent with stated policies and objectives.

The President is communicating with our MNF partners and the Government of Lebanon. He is stressing that we remain determined to pursue our stated objectives in Lebanon which are to ensure that Lebanon can be restored as an independent and sovereign nation, free of all foreign forces, and free to reconstitute a national consensus. We and the Government of Lebanon remain committed to the process of national reconciliation and an accommodation of the legitimate interests of all the Lebanese people. We have stressed to President Gemayel the necessity of persevering in his courageous decision to broaden the political base and composition of his government, and we will assure that he can do so without surrendering to those who reject political solutions and seek to impose their will by violent means.

PRESIDENT'S REMARKS AND QUESTION-AND-ANSWER SESSION (EXCERPTS), OCT. 24, 1983³

Yesterday's acts of terrorism in Beirut which killed so many young American and French servicemen were a horrifying reminder of the type of enemy that we face in many critical areas of the

world today—vicious, cowardly, and ruthless. Words can never convey the depth of compassion that we feel for those brave men and for their loved ones.

Many Americans are wondering why we must keep our forces in Lebanon. The reason they must stay there until the situation is under control is quite clear. We have vital interests in Lebanon, and our actions in Lebanon are in the cause of world peace. With our allies—England, France, and Italy—we're part of a multinational peacekeeping force seeking a withdrawal of all foreign forces from Lebanon and from the Beirut area while the new Lebanese Government undertakes to restore sovereignty throughout that country. By promoting peace in Lebanon, we strengthen the forces for peace throughout the Middle East. This is not a Republican or a Democratic goal but one that all Americans share.

Peace in Lebanon is key to the region's stability now and in the future. To the extent that the prospect for future stability is heavily influenced by the presence of our forces, it is central to our credibility on a global scale. We must not allow international criminals and thugs such as these to undermine the peace in Lebanon.

The struggle for peace is indivisible. We cannot pick and choose where we will support freedom; we can only determine how. If it's lost in one place, all of us lose. If others feel confident that they can intimidate us and our allies in Lebanon, they will become more bold elsewhere. If Lebanon ends up under the tyranny of forces hostile to the West, not only will our strategic position in the eastern Mediterranean be threatened but also the stability of the entire Middle East, including the vast resource areas of the Arabian Peninsula.

In conjunction with our multinational force partners, we're taking measures to strengthen the capabilities of our forces to defend themselves. The United States will not be intimidated by terrorists. We have strong circumstantial evidence linking the perpetrators of this latest atrocity to others that have occurred against us in the recent past, including the bombing of our Embassy in Beirut last April. Every effort will be made to find the criminals responsible for this act of terrorism so this despicable act will not go unpunished.

Q. What are the options? Do we increase the number of troops in Lebanon? Do we withdraw the troops in Lebanon? What do you consider the options to be?

A. The option that we cannot consider is withdrawing while their mission still remains. And they do have a mission, contrary to what some people have intimated in the last 24 hours or so. And it is tied in with the effort that we launched more than a year ago to try and bring peace to the total area of the Middle East because of its strategic importance to the whole free world, not just the United States.

I couldn't give you a time on this. The options are—well, I have sent, as of this morning, Gen. Kelley, the Commandant of the Marine Corps, is on his way to Lebanon to review again what we can do with regard to improving the defensive measures, the safety measures for the Marines who are stationed there. And we're looking at every possible option in that regard. But the mission remains, and it remains as yet unfulfilled, although there's been tremendous success so far.

Q. You discussed the diplomatic mission. What specifically is the military mission of the Marines?

A. You have to go back a little bit in memory on the situation there in the Middle East. We know, of course, our country, since 1948, has been pledged to the continued existence and the security of Israel. And we've had these numerous wars between the Arab states and Israel, with a number of the Arab states, or virtually all of them, refusing to accept the existence of Israel as a nation. We have, back over the years—as witness more recently in the previous Administration, the Camp David accords. So what we submitted was the idea of us continuing to help, as we did at Camp David, in furthering that process, bringing more nations into the kind of peaceful arrangement that occurred between Egypt and Israel—producing more Egypts, if you will.

At the same time, however, and for a number of years now, Lebanon has been torn with strife. They've had factions. And from just factions and kind of rioting situations, they've developed over the years to where kind of war lords set up with their own military forces. So we recognized that before we could proceed with the peace plan—remember that when we started this, Israel had been forced across its own border, was shell-

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ing Beirut. The PLO [Palestine Liberation Organization] militias inside Beirut were shelling back. The casualties were hundreds of civilians, every day, dying and being grievously wounded.

So we recognized that what we had to resolve first was this issue: to get Syria, which had crossed from the other border, to get Syria, get Israel, get the PLO organization out of Lebanon and then to have a stabilizing force while a government could be established in Lebanon and their military could then acquire the capability necessary to reinstitute their control over their own borders. And this was why the multinational force went in—to provide that stability so that when the Lebanese forces moved out, as the other forces—the Israelis and the Syrians—left, there could be a maintenance of order behind them.

Now that mission remains, and it did have measures of great success. Some 5,000 of the organized PLO militias, as you'll remember, were shipped out of Lebanon. Some of those, we fear, have been infiltrated back in, mainly by way of Syria now. But that was accomplished. A government was established. We have helped very definitely with the training of the Lebanese Army, and they proved the quality of that training recently in the fighting in the hills and around Suq al Gharb. And we think that they have—they don't have the size yet to where they could take over in, let's say the policing of that area and of the airport and still have enough manpower to go out and restore order as they're supposed to.

So that mission remains. And, as of now, they have finally agreed upon a date and a place for a meeting in which the Government of Lebanon is going to try and bring in representatives of the hostile factions within Lebanon to broaden the base of the government.

So we think that the goal is worthy, and we think that great progress has been made that would not have been made if it were not for the multinational force.

Q. I'm a journalist, but I'm also the wife of a U.S. Marine Corps captain, and as such I am personally grieved over the loss of lives. I am wondering what message you can give to Americans who are frustrated with the loss of life in a region that historically has not known peace—and, many think, will never know peace—and yet, our men are over there as peacekeepers.



(Wide World photo)

On October 26, Vice President Bush visits the Beirut site where more than 200 U.S. Marines were killed by a terrorist bomb. Left is Marine Commandant Gen. Paul X. Kelley; standing on the other side of the Vice President is the commanding officer of the Marine contingent Col. Timothy Geraghty.

A. I wish there were an instant answer here that would resolve all your concerns. You didn't tell me about that one when we were having lunch here.

I understand your concern. I understand all Americans' concern, and I have to say that I don't know of anything that is worse in the job I have than having to make the calls that I have made as a result of these snipings that have taken place in the past.

I wish it could be without hazard, but the alternative is to look at this region which, as I say, is vital. Our allies in Western Europe, the Japanese—it would be a disaster if a force took over the Middle East. And a force is ready to do that, as witness what has taken place in Yemen, in Ethiopia, and now the forces of some several thousand that are theirs in Syria.

The free world cannot stand by and see that happen. Yes, this has been an area torn by strife over the centuries, and yet not too many years ago, before the kind of breakup, Lebanon was a very prosperous, peaceful nation that was kind of known as the Gateway to the East. And we believe it can be again.

Probably no one—or no country was more at war with Israel than Egypt, and yet we saw Egypt and Israel come to a peace treaty and Israel give up the Sinai and so forth that it had conquered in war. We have to believe that this we must strive for, because the alternative could be disaster for all of our world.

Q. I want to ask you, you've addressed it now several times, the issue that we cannot get out of the Middle East. But would you address the other argument that if you're not going to get out, then let's just not put Marines back in to replace those who have been killed and wounded to do exactly the same thing in the same place but, if you're going to do a job, go into Lebanon and do it with some real force, which is another argument [inaudible].

A. But you see what that entails—and that is the difficult thing—we would then be engaged in the combat. We would be the combat force. We would be fighting against Arab states, and that is not the road to peace. We're still thinking in terms of that long-range peace.

Lebanon must be resolved and resolve within itself its own problems. And incidentally, not much attention has been paid to the diplomatic process that's been going on for all of this time, and before, round-the-clock. And we now are seeking a replacement for Am-

bassador McFarlane, who is with us here today, who is now national security adviser—but someone to replace him. But he could tell you. And I used to sit here feeling guilty, hearing his schedule from Damascus to Beirut to Tel Aviv, back, and hours and hours of meetings. But they have all led to this present cease-fire, to this government that is now in Lebanon, and to the effort to enlarge that government. So we're keeping on with that process.

But with the present mission of the multinational force—and remember there are four nations involved there—enlarging their forces, if it would help with the mission they're performing, would be one thing. But to join into the combat and become a part of the combative force, actually all we would really be doing would be increasing the number of targets and risking, really, the start of overall conflict and world war.

No, our mission, I think, makes sense. I think it has proven itself so far. The tragedy is coming not really from the warring forces; it is coming from little bands of individuals, literally criminal minded, who now see in the disorder that's going on an opportunity to do what they want to do. And we're going to make every effort we can to minimize the risk but also to find those responsible.

Q. I'd like to know what exactly is underway now, what efforts are underway to identify the casualties and those missing and how are the relatives being notified about this?

A. You have touched upon what is a heartbreaking part of this particular incident. That was the headquarters building. There were more than 200 men sleeping in that building when this occurred. The records—the personnel records—are either destroyed or buried someplace beneath all that rubble. And because they were sleeping, many of the men were not wearing their dog tags. And the delay in notification of the families—and it must be a terrible, cruel, additional punishment for these people who wait in suspense. And we have no answers until—we're doing everything, or the Marines are, that they can to identify. And when they can get actual identification, such as bodies that did have dog tags or where comrades can recognize and identify, to notify the individual families. But it's a long, tragic story because of the other, the loss of records.

. . . .

Q. You said that General Kelley is on his way [inaudible] to recommend more safety measures. If he recommends that more troops be sent in, will you do that? And what other safety measures are you considering?

A. If this were recommended on the basis that their mission, as I say, could be furthered by some difference in the size of the mission. I would certainly take seriously the recommendation of the man who's the Commandant of the entire Marine Corps.

There are a number of other things to look at, options that have been presented. We know, for example, that we have to find a new headquarters, an operational post for the headquarters, because that was totally destroyed. One of the options being considered is, could part of the support services of that kind be stationed on one of our ships that are offshore there, one of our naval vessels? More improvements in the actual defensive structure? There are any number of options, and that's why an expert is going over there to come back and tell us what can be done.

¹Made on the South Lawn of the White House upon returning from Augusta, Ga. (text from Weekly Compilation of Presidential Documents of Oct. 31, 1983).

²Made to news reporters by the principal deputy press secretary to the President Larry Speakes (text from Weekly Compilation of Presidential Documents of Oct. 31).

³Made to regional editors and broadcasters at the White House (text from Weekly Compilation of Presidential Documents of Oct. 31). ■

The Situation in Lebanon

by Secretary Shultz

Statement before the Senate Foreign Relations Committee and the House Foreign Affairs Committee on October 24, 1983.¹

I am sorry to have to be here in such tragic circumstances, but I also appreciate the opportunity to come here to discuss our policy in Lebanon in the wake of yesterday's events. This outrage perpetrated against our forces is a brutal reminder, as the President said yesterday, of the bestial nature of those elements in the Middle East that will take over if we are not steadfast and strong.

I want to take this opportunity to pay tribute to the courage and sacrifice of our French ally, as well as to offer my personal sympathy to the families of all those who perished, American and French.

Let me say a few words about the broader issues at stake, and then about the situation in Lebanon.

The Stakes in Lebanon

We are in Lebanon because the outcome in Lebanon will affect our position in the whole Middle East. To ask why Lebanon is important is to ask why the Middle East is important—because the answer is the same.

The United States is involved in the quest for peace in the Middle East because it is a region of vital strategic and economic importance for the free world, because it is an arena of competition between the United States and the Soviet Union, because we have a deep and abiding commitment to Israel and an interest in strengthening the trends of moderation in the Arab world, and because our role of leadership in Middle East diplomacy is a reflection of America's responsibility as a world leader.

The crisis in Lebanon cannot be isolated from the broader Middle East crisis. Indeed, that has been the heart of Lebanon's tragedy in the past 15 years. The contest in Lebanon involves many of the same parties that figure in the broader Middle East drama: moderate elements that yearn to settle their differences peacefully and radical elements that both preach and practice hatred as a matter of policy. The issues at stake in Lebanon are, therefore, some of the

same issues at stake in the search for Middle East peace: questions of security, of respect for national sovereignty, and the viability of peaceful solutions.

At stake in Lebanon is the fate of the second moderate Arab country to negotiate a major agreement with Israel. I should not have to elaborate on what it would mean for the overall peace process, and for Israel's long-term security, if the assault on this moderate government should succeed. Indeed, this is a major reason why that assault is taking place.

At stake is the right of a small country like Lebanon to decide for itself how to achieve its sovereign objectives free of outside pressure, threat, or blackmail. This is a basic principle of international law and international morality that is vital not only to the future of the Middle East but to the kind of world we want to live in over the remainder of this century.

If America's efforts for peaceful solutions are overwhelmed by brute force, our role in the world is that much weakened everywhere. Friends who rely on us will be disheartened and will be that much less secure. Moderates in the Arab world whom we are encouraging to take risks for peace will feel it far less safe to do so. Israel's security will ultimately be weakened.

If we are driven out of Lebanon, radical and rejectionist elements will have scored a major victory. The message will be sent that relying on the Soviet Union pays off and that relying on the United States is a fatal mistake. This is, of course, the opposite of the message that we want to convey in our foreign policy.

If we are driven out of Lebanon, it will be a major blow to the American position in the Middle East. If we want the role and influence of a great power, then we have to accept the responsibilities of a great power. If we as Americans decide we do not want the role and influence of a great power, then I shudder to think what kind of world of anarchy and danger our children will inherit.

Our Policy in Lebanon

Let me turn now to the situation in Lebanon. Our goal in Lebanon is a political settlement between the government and the various confessional groups, aiming at a broader based

government that can extend its sovereign authority throughout the country. In these circumstances we envisage the withdrawal of all foreign forces, as well as security arrangements to assure the security of Israel's northern border. This process of political accommodation is an urgent task. It should be a priority responsibility of Lebanon's leaders and Lebanon's people. It is also one of our high priorities.

One step toward this goal was the May 17 agreement between Lebanon and Israel. It provides a framework for cooperation between Lebanon and Israel, and it offers the only existing arrangement for assuring Israeli withdrawal while addressing the basic problem of border security that created the Lebanese crisis in the first place. We will continue to defend this agreement, and we look to the day when it will be implemented.

Our goal is a political solution, not a military solution. Yet the presence of our Marines has been a crucial pillar of the structure of stability that is needed to make a political solution possible. Our strategy is built on several such pillars.

- Our Marines are part of a multinational peacekeeping force, including the forces of our British, French, and Italian allies. These units symbolize the broad international support for the legitimate Government of Lebanon.

- Backing up our Marines is a powerful offshore naval force, which has fired in defense of the Marines when they have come under fire. Our allies also have naval assets in the eastern Mediterranean and have used them.

- In the military dimension, the primary responsibility rests on the Lebanese Armed Forces, which we helped to train and equip. The army has proven to be a brave and effective fighting force and is getting stronger by the day. It is more than a match for its Lebanese opponents; its difficulties have come when it was under assault by forces protected, armed, supported, and encouraged by Syria.

- The Lebanese Government has the support of moderate Arabs, which can only be strengthened by a successful effort of national reconciliation.

- Israel, too, remains a key factor in Lebanon, and we need its constructive efforts in support of the Lebanese Government and the process of reconciliation. Israel has leverage with some of the confessional groups, and we hope it will use this leverage in the direction of encouraging political accommodation.

Syria and its surrogates, of course, have been obstructing both our efforts

to get foreign forces out and our efforts to promote political accommodation. No one questions Syria's legitimate security concerns with respect to Lebanon. But Syria, unlike Israel, has been unwilling to negotiate with Lebanon over how to reconcile its security concerns with Lebanon's sovereign right to decide its own future. Instead, Syria has declared a kind of "Brezhnev doctrine," whereby countries in its orbit have no sovereign right to make any decisions that displease it.

We achieved a cease-fire on September 26, however, by demonstrating that there were limits beyond which we could not be pushed. The achievement of this cease-fire showed that we have the assets to maintain a stable balance in Lebanon so that the government's opponents cannot steamroll the political negotiations. We must maintain that balance. Pulling our Marines out or reducing their number would only undercut the balance and undermine the chances for an equitable political outcome. This is not President Reagan's policy. The bipartisan support shown in the congressional joint resolution on the war powers issue was an important contribution, dispelling doubts about our staying power and strengthening our hand.

Responsibility for the Bombing

A question I am sure is on your minds is: who is responsible for this bombing outrage? I can say to you now only that we are still sifting the evidence, most of which is from before the bombing, and, therefore, only circumstantially related to the event. I can also read you some press reports of some interesting reactions to yesterday's bombings.

- The president of the Iranian Supreme Court issued a statement yesterday saying that the "Muslim people" of Lebanon have "dealt with the U.S. and France in such a way that they have learned their lesson not to embark on aggression and attacks on oppressed nations."
- A Syrian newspaper—part of Syria's state-controlled press—contained a reference to the bombings of our Marines and French soldiers which attributed the two actions to the so-called Lebanese nationalist resistance.

Both Iran and Syria, of course, deny any responsibility for the bombing attacks.

Since we don't yet know who is directly responsible for the attack, it would not be fruitful to speculate. But



(Wide World photo)

there is a broader point to be made. It is not difficult to detect who are the opponents of stability in Lebanon. The opponents of peace in Lebanon are those who oppose progress toward peace in the Middle East, and it is not a coincidence that these elements have been bitter opponents of the multinational force in Lebanon of which our Marines are a part:

- Syria, which seems determined to make Lebanon a satellite of "Greater Syria";
- The Soviet Union, which arms Syria with the most sophisticated weapons and encourages its hegemonistic policies; and
- Iran, the regime of fanatics with which we have had earlier experience.

Iranian elements in Lebanon operate from behind Syrian lines and are allied with Syria. Syria must bear a share of responsibility for any Iranian actions in Lebanon whether or not Syria knew of any specific terrorist plans. Likewise, the Soviet Union, even though its relations with Iran are strained, has encouraged Syria and contributed to the climate of violence and intimidation which obtains in Lebanon. And the Soviets have been bitterly opposed to the presence of the multinational force.

The Soviet Union, Syria, and Iran—that should tell you something about what is going on in Lebanon, why it is a part of something much larger than Lebanon, and why we have a stake in the outcome.

As the result of our deliberations yesterday and today, the President has decided on a series of steps.

- He has ordered the immediate replacement of our losses and strengthening of our Marine contingent in

Secretary Shultz meets at a Paris suburb on October 27 with the Foreign Ministers of countries which make up the multinational force in Lebanon. Left to right are Sir Geoffrey Howe (U.K.), Giulio Andreotti (Italy), and Claude Cheysson (France).

Beirut, so that there is no gap in the performance of our mission.

- General P.X. Kelley, Commandant of the Marine Corps, has gone to Beirut to study the security situation of our Marines and to make urgent recommendations on ways of improving it.

- We are continuing an intensified intelligence effort to identify the perpetrators of Sunday's massacre.

- I will travel to Europe by the end of this week to consult urgently and intensively with the foreign ministers of our MNF partners—Britain, France, and Italy.

- Ambassador Richard Fairbanks, who was the partner of Ambassador McFarlane in our recent diplomatic efforts in Lebanon, will be in Geneva to lend support and impetus to President Gemayel's efforts at national reconciliation.

President Reagan is determined that we will not be driven out of Lebanon by the enemies of peace. We will stay, and we will carry out our mission. Many millions of people around the world look to the United States as the strongest defender of freedom and peace. We cannot walk away from such responsibilities without paying a moral, political, and strategic price.

¹Press release 380. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

U.S. Marine Presence in Beirut

by Jonathan T. Howe

Statement before the House Armed Services Committee on November 1, 1983. Rear Admiral Howe is Director of the Bureau of Politico-Military Affairs.¹

I welcome the opportunity to come before the Committee today. We have suffered a national tragedy in Beirut, and, therefore, it is even more important than before that our reasons for being in Lebanon are understood by the American people. So let me begin today by addressing the fundamental question of our presence in this small, war-ravaged country.

U.S. Presence

Our presence in Lebanon is fundamental to our objectives in the Middle East. We are all painfully aware of the history of recurrent conflict, of the geopolitical significance of the region, of the vital energy resources at stake for the west, and of our deep commitment to security for the State of Israel. The actors in the Middle East drama are present in Lebanon, and the contending forces are fully engaged. The Soviet Union maintains some 7,000 Soviet military personnel in Syria and recently has supplied sophisticated weaponry, including a long-range SA-5 air defense complex and SS-21 missiles. Syria, in turn, armed by the Soviet Union, occupies large portions of Lebanon and has been seeking to intimidate the Lebanese Government. Israeli forces that originally entered Lebanon to secure Israel's northern border remain in Lebanon with that objective. Before the cease-fire, Palestinian units were among those attacking key positions that were held by the Lebanese Armed Forces and that were essential to the security of our Marine contingent. Iranian and Libyan forces are also in Lebanon, uninvited by the Lebanese Government.

The stakes in Lebanon are high. If Lebanon is forced to yield to the dictates of outsiders, we will be in no position to encourage others in the Middle East to take the necessary steps to bring peace to the region; if terrorists could drive us from Lebanon, we would show weakness at a time when resolve is imperative; if we were to abandon the central government while Christians, Druze, and Muslims are at the peace table to deter-

mine the future of Lebanon, we would only make more distant the day when Arabs and Israelis will be willing to negotiate the future of the West Bank, the Palestinian people, and the issue of security for the states in the region, including Israel.

The U.S. Marines are in Lebanon to help bring stability to that country. Their mission is to support the Government of Lebanon and the Lebanese Armed Forces by their presence. That presence provides to the Lebanese Government clear evidence of international concern for Lebanon and an element of needed stability and confidence which reinforces its pursuit of national reconciliation. And, by raising the stakes for any who might seek to impose a solution by force, it provides a crucial incentive to try instead to pursue legitimate interests through negotiations. The fact that the cease-fire among Lebanese factions themselves is on the whole being maintained and that Lebanese confessional groups have begun to try in Geneva to reconcile their differences are important evidence that our efforts are worthwhile and necessary.

Our Marines were initially sent to Lebanon in August of last year for a brief period as part of a multinational force (MNF) to facilitate the evacuation of armed PLO [Palestine Liberation Organization] elements trapped in west Beirut. The multinational force was reintroduced on September 29, 1982, after the tragic massacres in the PLO refugee camps at Sabra and Shattila. The mission of the Marines, along with the other MNF contingents, was to help stabilize the situation in Lebanon by their presence and to secure key sectors of Beirut.

That mission is the same today. We have been working together with other MNF countries—France, Italy, and Britain—to help strengthen the Lebanese Armed Forces and to give the Central Government an opportunity to establish its authority. The Government of Lebanon recognizes the need to broaden its base of support and to commit itself to national reconciliation. Our hope is that the talks underway in Geneva will be a first step in that direction. But that hope will be short lived if opposition forces enjoying outside support are free to initiate internecine warfare. Our objective with the Lebanese

Armed Forces—which are composed of Christians, Muslims, and Druze—is to help them become strong enough to be a unifying force, providing security in every community, and eventually capable of extending the Government's authority throughout Lebanon once foreign forces are withdrawn. During the recent encounters prior to the current cease-fire, the army has been severely tested, and it has performed extremely well. The Lebanese Armed Forces should become even stronger in the months ahead.

At this time, however, there is no substitute for the visible support provided by the MNF, including our Marines. This is not only our conclusion, but it was also the conclusion reached by the other MNF governments when Secretary Shultz met with their Foreign Ministers last week in Paris to discuss the attack on the U.S. and French headquarters elements. Like us, they have lost young men in their MNF contingents to shelling and terrorist attacks. Like us, our allies have naval and air assets in the eastern Mediterranean and have used them in Lebanon. In Paris we found ourselves in solid agreement that a strong MNF presence is essential to establish a structure of stability in Lebanon. We also shared the view that MNF presence provided critical support for the Lebanese Government and was, therefore, a political prerequisite for success at the Geneva negotiations and in the effort to achieve national reconciliation.

Security Measures

I would now like to turn to questions related to the Marines' deployment at the Beirut International Airport and the security measures adopted after the bombing of our Embassy in April.

When the areas of responsibility for the MNF contingents were assigned, the French accepted the densely populated area of West Beirut, the Italians South Beirut, including several Palestinian refugee camps, and the small U.K. contingent—a latecomer to the MNF—agreed to patrol a substantial area running southeast of the city. In accepting the relatively remote area of Beirut International Airport, the Marines established a presence which helps protect a vital lifeline and communications link for the Lebanese. Locating the Marines at the Beirut International Airport also avoided the risks associated with positions in the built-up urban areas of Beirut which would have been

more difficult to secure and would have directly exposed the Marines to a number of hostile elements.

The airport position permitted the Marines to preserve their logistical base at sea with ready beach and helicopter access for support and reinforcement if necessary. It also had the advantage of adjoining Israeli lines, a desirable arrangement since we enjoy close relations with Israel. In terms of the Marines' mission, their presence at the international airport had both symbolic and material significance to the Lebanese Government.

The area of responsibility assigned to the U.S. MNF contingent certainly required no more exposure—and arguably considerably less—than the positions taken by the other contingents. Nevertheless even an area as relatively isolated as the airport contains daily activity that complicates security against a determined terrorist attack.

Questions have also arisen about security measures adopted to better protect our diplomatic mission following the April 18th bombing of the U.S. Embassy in Beirut.

Subsequent to the Embassy bombing, operations of our diplomatic mission were moved to a residential apartment building and the British Embassy. Exterior security has been provided at the apartment building and the Embassy by U.S. Marines from the Marine amphibious unit. The security measures include blocking the street immediately in front of the two locations with metal stakes and wire, placing military tracked vehicles at the entrances to the buildings, and establishing U.S. and Lebanese military checkpoints to search vehicles.

Normal liaison with the Marines has always included an exchange of intelligence information plus Marine amphibious unit participation in the Embassy's security watch committee meetings. Responsibility for the security of the amphibious unit was, and is, considered a military matter, just as planning for the security of the Embassy remains a State Department responsibility.

The issue of the adequacy of security of the Marine position has been addressed by General Kelley [Commandant of the Marine Corps]. [Defense] Secretary Weinberger has initiated a full-scale investigation of the Marine compound attack, to be led by retired Adm. Long. Intensive study of the security situation of our Marine contingent will continue, and appropriate changes will be implemented. I would also note that our MNF allies are undertaking comparable

assessments for their contingents and that we agreed last week to share the conclusions of our analyses when they are completed.

In conclusion, I can only reiterate that we share with this committee and all Americans a deep sense of loss after the events of last week in Lebanon. At the same time, our presence in Lebanon directly serves our nation's security. Our Marines and the French, Italian, and British forces are in Lebanon, as the President said, to help stabilize the situation, support the government and

its armed forces to facilitate the restoration of Lebanese Government sovereignty over Lebanese soil as foreign forces withdraw. That is an outcome which could do much to advance the cause of peace throughout the vital Middle East; it is, therefore, essential that we persevere.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

The Price of Peace: U.S. Middle East Policy

by **Kenneth W. Dam**

Address before the American Jewish Committee in Philadelphia on October 27, 1983. Mr. Dam is Deputy Secretary of State.

Last Sunday's tragedy in Beirut casts a shadow over this gathering and, indeed, over our country. The murder of the Marines on October 23 was a heinous crime. No words can express our outrage at this cowardly and ruthless act. No sentiments can console the bereaved families. But there are reasons for the presence of American servicemen in Beirut and for America's involvement in the Middle East.

Over the last few days, there have been questions raised in the press, in Congress, and, I am sure, in your own homes as to why we are in Lebanon and whether we should remain. These are legitimate questions. They should be asked, and they must be answered. Tonight, therefore, I should like to review for you our policy in Lebanon and the Middle East as a whole. Then I should like to explain why the efforts of the United States are essential to peace in the region and hence to the national interests of the United States.

LEBANON

Our goal in Lebanon is a political settlement between the government and the various confessional groups. The outcome we envisage is a broad-based government that can extend its sovereign authority throughout the country. Such an outcome will require

the withdrawal of all foreign forces as well as implementation of arrangements to ensure the security of Israel's northern border.

A major step was taken toward that goal with the May 17 agreement between Lebanon and Israel. Lebanon thus became the second moderate Arab country in recent years to sign a major agreement with Israel. The accord provides for the full withdrawal of Israeli forces from Lebanon within a framework that secures Israel's northern border. This is a good and fair agreement reached between two sovereign nations. We support it, and we work to hasten the day when it will be implemented.

Syria and its allies have opposed our efforts, and the efforts of the Lebanese Government, to promote the withdrawal of foreign forces and political accommodation. Syria has the largest army in Lebanon. But, unlike Israel, it has not agreed to withdraw its forces. It insists that Israel must first withdraw unconditionally.

The signing of the May 17 agreement was followed by unilateral Israeli withdrawal to the Awali River in September. A combination of the resulting vacuum and radical instigation sparked renewed confessional fighting. Units allied with Syria were in the thick of the attack on the government and of the shelling of our Marines. But the Lebanese Armed Forces, trained by the United States and supported by the contingents of the multinational force, stood firm. Parallel diplomatic efforts of the United States and Saudi Arabia resulted in a cease-fire on September 26.

MIDDLE EAST

The cease-fire provided for both regular security consultations between Lebanese militias and wider talks to achieve national reconciliation. The Security Arrangements Committee is meeting regularly to monitor the fragile cease-fire. The Committee on National Reconciliation has yet to meet. But last week the parties announced that they would convene this Monday in Geneva. This sets the stage for a process of political accommodation. We have four major reasons to hope that this process will succeed: the stability the multinational force has brought, the cease-fire our negotiators achieved, the performance of the Lebanese Armed Forces, and the commitment of President Gemayel's government.

The Nature of the Conflict

It would be easy to characterize the deaths of our Marines as but one more tragedy in one more chapter of the protracted Lebanese civil war. But that would be wrong, for this is not simply a civil war.

Since 1943 Lebanon's governmental system has been based on a National Covenant, an unwritten agreement that distributed political power among the country's religious groups. While the covenant did not keep pace with demographic changes, the main reason for the collapse of the political system was the intervention of outside forces.

In 1970 large numbers of PLO [Palestine Liberation Organization] fighters entered Lebanon after being expelled from Jordan. These forces formed a state-within-a-state and fomented violence, triggering a civil war in 1975. In 1976 Syrian troops entered Lebanon. The Syrian presence eventually created new tensions and maintained a state of tenuous armed stability in which PLO fighters remained free to terrorize Israel. In the summer of 1982, Israeli defense forces retaliated en masse and Syrian and Christian forces clashed. As part of a settlement which removed PLO forces and gave the Gemayel government a chance to get on its feet, the United States sent Marines to Beirut.

The Lebanese people, I am convinced, are exhausted by war and are ready to resolve their differences. But outsiders have not been willing to leave them alone. The Lebanese sought peace and found destruction; they sought freedom and found occupation. This is not the story of a civil war alone. This is the story of a broader regional conflict; a conflict in which Lebanon is but one of

many battlegrounds and in which, as the President has said, the United States has "vital interests" at stake.

The Interests at Stake

Our first interest is to meet our moral obligations. We Americans are a moral people. We believe it is wrong for the children of Lebanon to grow up on a battlefield. We believe we have an obligation to defend Lebanon's right to decide for itself how to achieve its sovereign objectives. And we also believe that we must live up to our commitments and stand by our friends.

Lebanon is under attack for having signed an agreement with Israel. The United States will not accept the proposition that to enter into an agreement with Israel means political destruction. Nor will we accept the proposition that any external state has a veto power over the aspirations of a sovereign people or the policies of their government.

Our commitment to Lebanon—as to Israel—is consistent not only with our moral obligations but also with our strategic interests. The future of Lebanon is linked to the Middle East region. That region is of vital strategic and economic importance to the free world—and tempting to the Soviet Union. We should not overstate this point. But to the extent that Lebanon is a flash point for regional tension, it is also a potential point of international conflict. Promoting stability in Lebanon is thus vital not only to Israel and the moderate Arab states but to our security and that of the other industrialized democracies as well.

Diplomatically, the United States plays a central role in the Middle East because Israel and the Arab states recognize that America is the only credible catalyst for peace. If America's efforts for peaceful solutions are overwhelmed by brute force, our role in the world will be weakened. Friends who rely on us will be disheartened. Arab moderates will be less willing to take risks for peace. Israel's security will be weakened.

In short, if we are driven out of Lebanon, it will be a major blow to the American position in the Middle East and in the world. As Secretary Shultz said in testimony before the Congress:

If we want the role and influence of a great power, then we have to accept the responsibilities of a great power. If we as Americans decide we do not want the role and influence of a great power, then I shudder to think what kind of world of anarchy and danger our children will inherit.

These are the interests—moral, strategic, and diplomatic—that underlie our policy in Lebanon and that led to the presence of U.S. Marines in Beirut. But beyond these interests, there is an even broader concern—the achievement of a comprehensive peace in the Middle East. The crisis in Lebanon cannot be divorced from the broader Middle East context. The tragic events of recent years in Lebanon are part and parcel of an increasingly brutal struggle being waged throughout the region. In that struggle, moderate pragmatists, who are willing to settle their differences through peaceful negotiation, are opposed by radicals, who preach and practice hatred as a matter of policy. This struggle between reason and radicalism is manifested by several pairs of recent events.

First, in April, King Hussein of Jordan and Yasir Arafat appeared to come to an understanding about negotiating with Israel on the basis of the President's September 1 initiative. However, radicals within the PLO vetoed that agreement and the moderate PLO representative to the Socialist International was assassinated in Portugal.

Second, on May 17, the Israel-Lebanon agreement was signed. However, when Israel withdrew to the Awali River, radicals sparked renewed confessional fighting, threatening Beirut itself.

Third, the West has twice sent a multinational force to Beirut to help the Lebanese Government restore stability. In contrast, the Soviet Union has sent destabilizing weapons—SA-5 and SS-21 missiles—to Syria.

Finally, last month the United States, with Saudi help, secured a cease-fire in Lebanon. That cease-fire, however, was shattered on Sunday, October 23, when U.S. Marines and French paratroopers were murdered by radical thugs.

We should not overstate the relationship between these paired events. But we must recognize that we are confronted with an ongoing struggle in the Middle East between moderate and radical Arab forces. That struggle will define the political contours of the region for decades to come. We can—indeed, we must—influence its outcome. In our absence, the radicals who have the weapons and the will to use them will have the predominant voice. Only the United States can ensure that moderates have the means to stand up to threats and the freedom to pursue constructive solutions.

It is, therefore, U.S. policy to mobilize support, wherever possible, for the forces of moderation. We are prepared to provide moral, material, and, if necessary, military support. That is one reason why Secretary Shultz has been consulting today in Paris with our multinational force partners—Britain, France, and Italy. That is why the President ordered the fallen Marines replaced. And that is why, as the President said, the Marines “must stay.”

Granted, the current uncertainty creates dangers—for the Marines, for Israel, for Lebanon, and for the Middle East generally. But with danger comes opportunity—opportunity to support negotiations in which the legitimate interests of all the parties to the Middle East conflict can be met. The broader peace negotiations we envisage were outlined by the President a little more than a year ago when he challenged the parties to make a “fresh start” in the Middle East.

THE PEACE PROCESS

The President's September 1 initiative offered—and still offers—the most practicable and workable basis for negotiations, grounded as it is in the Camp David accords and UN Security Council Resolutions 242 and 338. That initiative is balanced and fair. It rejects the extreme positions of both parties. It is designed to bring about a just and lasting peace that will both recognize the legitimate rights of the Palestinian people and, at the same time, assure the security of Israel. Those goals are not incompatible. Indeed, neither can be truly achieved in the absence of the other.

Let me review the seven essential points of the President's September 1 initiative, in the words used by the President himself:

First. “We base our approach squarely on the principle that the Arab-Israeli conflict should be resolved through negotiations involving an exchange of territory for peace. This exchange is enshrined in U.N. Security Council Resolution 242”

Second. “. . . the United States will oppose any proposal . . . that threatens the security of Israel. America's commitment to the security of Israel is ironclad.”

Third. “. . . the United States will not support the establishment of an independent Palestinian state in the West Bank and Gaza, and we will not support

annexation or permanent control by Israel.”

Fourth. “. . . there must be a period of time during which the Palestinian inhabitants of the West Bank and Gaza will have full autonomy over their own affairs.”

Fifth. “The United States will not support the use of any additional land for the purpose of settlements during the transition period. . . . Further settlement activity is in no way necessary for the security of Israel”

Sixth. “. . . self-government by the Palestinians of the West Bank and Gaza in association with Jordan offers the best chance for a durable, just, and lasting peace.”

Seventh. “. . . Jerusalem must remain undivided, but its final status should be decided through negotiations” in the context of an overall Middle East settlement.

This initiative provides an opportunity for those in the Arab world who seek peace. But they have not yet seized it. It provides an opportunity for Israel to satisfy its long-term security needs through agreements rather than through military might alone. But Israel has not seized it.

There are some already who have written off the broader peace process. They contend that the Administration will avoid dealing with the sensitive issues of the Middle East during a presidential election year. They are wrong. We fully intend to pursue the September 1 initiative with vigor. The moment is critical. The time is now. Let it never be said that the United States was too busy practicing politics to pursue peace.

That is why our Marines are in Lebanon. That is why our negotiators are constantly shuttling among the parties. And that is why America is being turned to, again and again, to make the difference, to break the impasse, to point the way forward.

U.S.-ISRAELI RELATIONS

We are under no illusions, of course, that all the parties fully agree with the President's September 1 initiative. Indeed, there are important differences between the United States and Israel on the tactics of the peace process.

We do not, for example, agree on the settlement policy of Israel. Our objection is not legal but practical. Nothing in the President's initiative precludes Israelis from living in the West Bank or

Gaza. However, as the President has said, we do not believe that continued settlement activity is helpful in getting peace negotiations started. We also disagree on the future of the West Bank and Gaza. In our view, permanent Israeli control over those areas will not bring peace nor will it guarantee Israel's long-term security.

These are honest differences that must be discussed. But the fact of these differences, however intense, should not obscure the fundamental agreement that exists between our countries:

- We agree that full and genuine peace is our objective, not the false peace of barbed wire, barriers, and interposition forces.
- We agree that direct negotiations between the parties is the only mechanism that can lead to peace.
- We agree that Israel must remain strong both militarily and economically.
- We agree that Israel's strength is a fundamental pillar of stability in the region and an incentive for negotiations.
- And, finally, we agree on the threat that the Soviet Union poses for the region, and we stand strategically allied against that threat.

But good friendship and strong alliance require hard work. We must seek to reconcile our differences and reinforce our agreements. To this end, the Under Secretary of State for Political Affairs, Lawrence S. Eagleburger, will be traveling to Israel next week to continue our strategic dialogue; his discussions will be but one step in an ongoing process.

CONCLUSION

The United States has been a peace-maker in the Middle East for many years. We helped establish the fundamental idea of an exchange of peace for territory embodied in UN Security Council Resolution 242. The United States helped negotiate the disengagement agreements between Egypt and Israel and between Syria and Israel in accordance with Security Council Resolution 338. The United States was a full partner in the Camp David accords and the Israeli-Egyptian agreement. And the United States was, and remains, a catalyst in the agreement between Israel and Lebanon.

We cannot abdicate the responsibility these successes have placed on us. In the ongoing struggle between reason and radicalism in the Middle East, it is

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in our moral, strategic, and diplomatic interests to throw our influence behind the forces of moderation. Let it, therefore, be known that we will not be deterred by cowardly acts of violence. Let it be proved that peace cannot be killed by killing the peacemakers. ■

Visit of Egyptian President

President Mohamed Hosni Mubarak of the Arab Republic of Egypt made an official working visit to Washington, D.C., September 29-October 3, 1983, to meet with President Reagan and other government officials.

Following are remarks made by Presidents Reagan and Mubarak after their meeting on September 30.¹

President Reagan

President Mubarak and I have concluded another of our regular consultations on regional and bilateral issues. Our discussions were warm and frank, as discussions between good and trusting friends should be. They strengthen our sense of common purpose in working for regional peace and security.

There was basic agreement on the critical issues our nations face in the Middle East and Africa. We discussed the urgent need to achieve a just and comprehensive peace for the Middle East which would permit the nations there, all the states in the region, to live in peace while safeguarding the legitimate rights of the Palestinian people. In that regard, I reiterated my commitment to the peace initiative that we announced a little more than a year ago and my desire to work closely with President Mubarak to bring the parties to negotiation. Our policy remains firmly based on UN Security Council Resolutions 242 and 338 and the Camp David accords.

We reviewed the situation in Lebanon, and I thank the President for Egypt's support of Ambassador McFarlane's [President's personal representative in the Middle East] efforts to produce a settlement there and assured him of my determination to support the territorial integrity, sovereignty, and independence of Lebanon. To that end, there must be an enduring cease-fire, political reconciliation, and the prompt withdrawal of all foreign forces.

(White House photo by Bill Fitz-Patrick)



In discussing Africa, we agreed on the need to support nations such as Chad which are subject to external threat.

On bilateral questions, I reiterated the importance that I attach to our continued assistance to Egypt and to our strategic cooperation. I've assured the President that our assistance will be responsive to Egypt's needs. And I also reviewed steps that we've taken to increase the flexibility of our economic assistance so that it can support President Mubarak's efforts to reform the Egyptian economy. We agree that we should continue our dialogue on economic issues.

President Mubarak's visit, the third since he was elected to office, highlights the special nature of our relationship with Egypt and the importance that I attach to his personal friendship and wise counsel. Our two countries share a common dedication to building a Middle East that is peaceful, prosperous, and secure from outside intervention. The Egyptian-American partnership has already produced significant results, and we'll continue to build on our record of accomplishment.

President Mubarak

It's a great pleasure for me to meet again with my friend President Reagan and discuss with him several issues of common concern.

As we share the commitment to the cause of peace, we focus on the situation in the Middle East. We both rejoiced in the cease-fire agreement recently reached in Lebanon. The cease-fire must continue so that efforts to bring about

national reconciliation in Lebanon be given the chance to succeed, and succeed they must. Lebanon has seen much bloodshed and destruction, and it deserves a lasting peace and stability and the real opportunity to reconstruct the country. The key to our breakthrough is the complete withdrawal of Israeli and other foreign forces. The authority of the Lebanese leadership over the entire country must be consolidated. Short of this, the situation would remain tense and explosive.

At the same time, we must not neglect the Palestinian problem. In this regard, I welcome President Reagan's assurances that he remains committed to the peace initiative of the 1st of September 1982. The time has come to reactivate this initiative with a view to secure the participation of Jordan and the representatives of the Palestinian people in the negotiations. I am confident that through negotiations Palestinian legitimate rights will be fully recognized, and peace between Israel and all its Arab neighbors will emerge, assuring for each the right to live within secure and recognized borders and thus allowing the region to devote its energies to development and progress.

President Reagan and I have also agreed on the necessity to put an end to the war between Iran and Iraq immediately. The promulgation of the meaningless war is detrimental to the interests of all nations. We call upon Iran to respond positively to Iraq's offer of terminating the war and entering into a peace negotiation without preconditions.

We also discussed current African problems. We fully support the Government of Chad and uphold the presence of foreign occupation forces there. The

territorial integrity of Chad must be preserved. We support the efforts of the Organization of African Unity in this regard.

On bilateral matters, President Reagan and I are fully satisfied with our cooperation in all fields. We share the determination to bolster our fraternal ties and cement our friendship each day.

As always, I have found President Reagan most gracious and responsive. I thank him and the American people for their understanding and constructive spirit.

¹Made in the East Room at the White House (text from Weekly Compilation of Presidential Documents of Oct. 3, 1983). ■

President Signs MFN in Lebanon Resolution

**PRESIDENT'S STATEMENT,
OCT. 12, 1983¹**

I am pleased to sign into law today S.J. Res. 159, the Multinational Force in Lebanon Resolution.² This resolution provides important support for the U.S. presence and policies in Lebanon and facilitates the pursuit of U.S. interests in that region on the bipartisan basis that has been the traditional hallmark of American foreign policy. In my view, the participation and support of the Congress are exceedingly important on matters of such fundamental importance to our national security interests, particularly where U.S. Armed Forces have been deployed in support of our policy objectives abroad. I am grateful to those of both political parties who joined in the expression of resolve reflected by the enactment of this resolution, and especially to the bipartisan leadership of Senate Majority Leader Baker, House Speaker O'Neill, House Foreign Affairs Committee Chairman Zablocki, and Senate Foreign Relations Committee Chairman Percy.

The text of this resolution states a number of congressional findings, determinations, and assertions on certain matters. It is, of course, entirely appropriate for Congress to express its views on these subjects in this manner. However, I do not necessarily join in or agree with some of these expressions. For example, with regard to the congressional determination that the requirements of section 4(a)(1) of the War

Powers Resolution became operative on August 29, 1983, I would note that the initiation of isolated or infrequent acts of violence against U.S. Armed Forces does not necessarily constitute actual or imminent involvement in hostilities, even if casualties to those forces result. I think it reasonable to recognize the inherent risk and imprudence of setting any precise formula for making such determinations.

However, complete accord on such debatable issues is less important than the process that has taken place and the bipartisan policy goals that have been articulated. We must not let disagreements on interpretation or issues of institutional powers prevent us from expressing our mutual goals to the citizens of our nation and the world. I, therefore, sign this resolution in full support of its policies but with reservations about some of the specific congressional expressions.

There have been historic differences between the legislative and executive branches of government with respect to the wisdom and constitutionality of Section 5(b) of the War Powers Resolution. That section purports to require termination of the use of U.S. Armed Forces in actual hostilities or situations in which imminent involvement in hostilities is clearly indicated by the circumstances unless Congress, within 60 days, enacts a specific authorization for that use or otherwise extends the 60-day period. In light of these historic differences, I would like to emphasize my view that the imposition of such arbitrary and inflexible deadlines creates unwise limitations on Presidential authority to deploy U.S. forces in the interests of U.S. national security. For example, such deadlines can undermine foreign policy judgments, adversely affect our ability to deploy U.S. Armed Forces in support of these judgments, and encourage hostile elements to maximize U.S. casualties in connection with such deployments.

I believe it is, therefore, important for me to state, in signing this resolution, that I do not and cannot cede any of the authority vested in me under the Constitution as President and as Commander in Chief of U.S. Armed Forces. Nor should my signing be viewed as any acknowledgment that the President's constitutional authority can be impermissibly infringed by statute, that congressional authorization would be required if and when the period specified in Section 5(b) of the War Powers

Resolution might be deemed to have been triggered and the period had expired, or that Section 6 of the Multinational Force in Lebanon Resolution may be interpreted to revise the President's constitutional authority to deploy U.S. Armed Forces. Let me underscore, however, that any differences we may have over institutional prerogatives will in no way diminish my intention to proceed in the manner outlined in my letter of September 27, 1983, to achieve the important bipartisan goals reflected in this resolution.

Indeed, I am convinced that congressional support for the continued participation of U.S. forces alongside those of France, Italy, and the United Kingdom helped bring about the recent cease-fire and the start of the reconciliation process in Lebanon. The security and the stability of the Beirut area and the successful process of national reconciliation are essential to the achievement of U.S. policy objectives in Lebanon, as stated in the resolution. It is my fervent hope and belief that this reaffirmation of the support of the executive and legislative branches for the Government of Lebanon and for our partners in the multinational force will promote a lasting peace and hasten the return home of our armed forces.

¹Text from Weekly Compilation of Presidential Documents of Oct. 17, 1983.

²As enacted S.J. Res. 159 is Public Law 98-119, approved Oct. 12. ■

Nonproliferation: Where We Are and Where We're Going

by Richard T. Kennedy

Statement before a joint hearing of the Senate Foreign Relations Committee and the Subcommittee on Energy, Nuclear Proliferation, and Government Processes of the Senate Committee on Governmental Affairs on September 30, 1983. Ambassador Kennedy is U.S. permanent representative to the International Atomic Energy Agency (IAEA) and Ambassador at Large and special adviser to the Secretary on nonproliferation policy and nuclear energy affairs.¹

I welcome the opportunity to meet with you today to discuss the Administration's program for preventing the spread of nuclear weapons. It has been about a year since we have had an oversight hearing on this important issue before your committees. You have invited me to discuss a number of very significant topics, including the International Atomic Energy Agency (IAEA); the question of spare parts for the Tarapur reactors in India; recent discussions we have had with the Soviet Union, the People's Republic of China, Argentina, and Brazil; our plutonium use policy and the status of negotiations with the European Energy Community (EURATOM) and Japan; the hexapartite safeguards agreement; and the impact of the Supreme Court's *Chadha* decision. These are very significant issues and I will attempt to cover each of them in this statement.

As you may recall, in a previous appearance before you, I outlined the responsibilities and organizational relationships in the nonproliferation area—relationships which were contemplated by the President and Secretary Shultz when nominating me as Ambassador at Large with responsibility for nonproliferation matters. In that role, I coordinate the efforts of the executive branch and act as the special representative of the Secretary and the President in discussions and negotiations with other countries on nonproliferation. I am pleased to note that over the past many months, these organizational relationships have worked well and have provided an increasingly cohesive approach to a complex, difficult, and vital task. In particular, I want to express my admiration and appreciation for the excellent work done by the staff in the

Bureau of Oceans and International Environmental and Scientific Affairs of the State Department and, indeed, by all of the various bureaus of the Department which contribute to a fully coordinated effort. I also want to note the effective contributions of the Arms Control and Disarmament Agency, Department of Energy, and Department of Defense, which work together with us in support of the effort. They contributed greatly to the progress which we have made. And, of course, the Nuclear Regulatory Commission (NRC) continues its important export licensing role, as well as assisting other nations with their own nuclear regulation activities. Through this effective coordinated relationship, we have been able to focus attention on the problem of proliferation, as we believe the Congress had intended.

All of our nonproliferation efforts, of course, are conducted under the guidelines provided by the President in his statement of July 16, 1981. In that statement, the President laid out seven basic guidelines.

- The United States will seek to prevent the spread of nuclear explosives to additional countries as a fundamental national security and foreign policy objective.
- The United States will strive to reduce the motivation for acquiring nuclear explosives by working to improve regional and global stability and to promote understanding of the legitimate security concerns of other states.
- The United States will continue to support adherence to the Treaty on the Non-Proliferation of Nuclear Weapons and to the Treaty for the Prohibition of Nuclear Weapons in Latin America (treaty of Tlatelolco) by countries that have not accepted those treaties.
- The United States will view a material violation of these treaties or an international safeguards agreement as having profound consequences for international order and U.S. bilateral relations and also view any nuclear explosion by a non-nuclear-weapons state with grave concern.
- The United States will strongly support and continue to work with other nations to strengthen the IAEA to provide for an improved international safeguards regime.
- The United States will seek to work more effectively with other coun-

tries to forge agreement on measures for combatting the risks of proliferation.

• The United States will continue to inhibit the transfer of sensitive nuclear material, equipment, and technology, particularly where the danger of proliferation demands, and to seek agreement on requiring IAEA safeguards on all nuclear activities in a non-nuclear-weapons state as a condition for any significant new nuclear supply commitment.

To these guidelines, I would like to add one additional concept which underlies our policy and which I have asserted in numerous fora—that is that the United States will never allow its nonproliferation objectives to be undercut for commercial gain. Our policy is to put in place the most effective nonproliferation regime which we, in combination with other concerned nations, can achieve.

I would now like first to bring you up to date on several important events which have taken place since we last met and then turn to the specific areas which you asked me to address.

Update on Recent Events

President Reagan's Comprehensive Safeguards Initiative. U.S. law requires IAEA safeguards on all existing nuclear activities in the recipient non-nuclear-weapons state as a condition for major U.S. nuclear exports. President Reagan has called upon all supplier states to require comprehensive safeguards for their own exports. Our objective must be the establishment of agreed norms which all suppliers will honor. We have pursued this objective through bilateral consultations in capitals and in a number of discussions in Washington. These discussions will continue.

Additional Parties to the Nonproliferation Treaty. The United States strongly supports universal adherence to the Nuclear Nonproliferation Treaty (NPT). The Administration continues active diplomatic efforts to encourage countries not yet party to the treaty to ratify this central instrument of the international nonproliferation regime. During 1982 four additional states became parties—Papua New-Guinea, Nauru, the Socialist Republic of Vietnam, and Uganda. There are now more than 115 states which are parties to the NPT, making it the most widely accepted multilateral arms control agreement. We also are taking steps to encourage implementation of the treaty of Tlatelolco.

New Bilateral Agreements for Cooperation in the Peaceful Uses of Atomic Energy. As you know, Section 404 of the Nuclear Nonproliferation Act of 1978 requires that the United States seek to renegotiate agreements of cooperation under Section 123 of the Atomic Energy Act of 1954. We have renegotiated our agreement with the IAEA, entered into force May 6, 1980; Canada entered into force July 9, 1980; Australia entered into force January 16, 1981; and Colombia (not yet in force). We anticipate that revised agreements with Norway and Sweden will be submitted to the Congress in the near future. We have also concluded new agreements of cooperation with several nations—Morocco (entered into force May 16, 1981), Bangladesh (entered into force June 12, 1982), Peru (entered into force April 15, 1982), Indonesia (entered into force December 30, 1981), and Egypt (entered into force December 29, 1981).

Bilateral Consultations. During the past year, U.S. officials have consulted with more than a dozen countries in Europe, Latin America, and Asia on how to pursue more effectively our common goal of preventing proliferation. In these talks, we have paid specific attention to improving nuclear export controls, including the difficult task of controlling "dual-use" commodities—items which have both conventional and potential nuclear uses. These meetings have helped others to understand our policies and have contributed significantly to an improved nonproliferation regime.

Improvement of U.S. Nuclear Export Regulations. On February 4, 1983, the Department of Energy issued revised and strengthened regulations which serve to control the transfer of unclassified and unpublished nuclear technology, the "part 810" regulations.

U.S. Reprocessing of Research Reactor Fuel. The Department of Energy extended through 1987 its policy of receiving and making financial settlement for U.S.-origin spent fuels from research reactors. This policy applies to highly enriched uranium fuels which raise proliferation concerns because of their potential use in nuclear explosives.

Implementation of Voluntary Safeguards Offer. The U.S. voluntary offer, made several years ago, to accept safeguards on civil nuclear facilities entered into force during 1980. Under this offer, four U.S. facilities were selected by the IAEA for the application of safeguards, and in 1982, the detailed

arrangements under which they are now being safeguarded were brought into force. The most significant of these four is the Exxon fuel fabrication plant where valuable experience has been gained in the effective implementation of safeguards.

Nuclear Export Alerts. Steps to make it more difficult technically for a sensitive country to acquire particular equipment or materials in pursuit of a nuclear weapons capability can buy time for other initiatives to reduce its motivations to acquire those weapons. The United States has worked in close and frequent consultation with other supplier states to shut off specific export transactions of proliferation concern. During the 1982 calendar year, approximately 100 such export alerts were pursued, and about 50 have been issued so far this year.

Assistance to Non-Nuclear-Weapons States in Spent Fuel Storage and Disposal. Under Section 223 of the Nuclear Waste Policy Act of 1982, a *Federal Register* notice has been published offering to augment U.S. international cooperative arrangements in the area of spent fuel storage and disposal. Non-nuclear-weapons states were contacted through diplomatic channels to solicit expressions of interest. The United States was the host for a major IAEA international conference on radioactive waste management in Seattle, Washington, in May 1983.

Emerging Suppliers. A potential problem which the Administration has begun to address is the expansion in the number of nations capable of exporting nuclear materials, equipment, and technology. Consultations with other nations have been directed toward alerting these new suppliers to the need for effective controls on their nuclear trade to assure that it is not misused for explosives developments, thereby undermining the current system of nuclear supplier guidelines.

Ratification of Physical Security Convention. President Reagan sought and obtained enactment of domestic legislation making certain acts involving nuclear materials serious Federal crimes. This law implements certain provisions in the Convention on the Physical Protection of Nuclear Material. In late 1982, the United States ratified this convention, a major step in dealing with threats of nuclear terrorism and proliferation. The Administration also remains committed in its efforts to work with other countries to assure the ade-

quacy of physical security measures, especially where nuclear materials of U.S.-origin are involved.

Chadha Decision and the Legislative Veto. Various provisions of the Atomic Energy Act as amended by the Nuclear Nonproliferation Act of 1978 have provided for a legislative veto by the Congress of Presidential determinations to permit nuclear exports. Basically these statutory provisions contain three distinct elements.

First, they establish very strict and specific standards which limit the export of nuclear items.

Second, they authorize the President to waive certain restrictions and permit exports if he makes certain findings. There are also requirements that such waivers and findings be reported to the Congress with specified waiting period before those actions may become effective.

The **third** was the legislative veto. The Department of State made its position clear on this issue last July when Deputy Secretary Kenneth Dam testified before this committee and at a hearing before the House Foreign Affairs Committee. Secretary Dam testified that the Department of State considers that those standards and that waiver authority, as well as the statutory requirement of notification to Congress and the observance of a waiting period, continue to be valid. We will continue to wait through the period during which the Congress, in the past, deliberated over its veto. During that time, the Congress may use its constitutional authority to enact new legislation if it chooses. The only provision that is invalid is the third, which permitted a legislative veto by concurrent resolution.

Secretary Dam emphasized last July, and I reiterate today, that neither the Department nor the Administration intends to take advantage of the situation created by the *Chadha* decision to take any action which would disturb the relationship of cooperation and collaboration we have developed with the Congress over the years in the area of nuclear nonproliferation. We intend to continue consulting regularly with the Congress and its committees and taking your counsel and advice into account in reaching important decisions. Our commitment to that spirit of cooperation is strengthened rather than diminished by the *Chadha* decision. As Secretary Dam said last July: "If anything, I believe *Chadha* will make the departments and

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agencies of the executive branch more, not less, conscious that they are accountable for their actions."

Spare Parts for the Tarapur Reactors in India

With regard to India's Tarapur atomic power station, the Government of India is seeking to obtain from the United States and other countries spare parts for the Tarapur reactors, which were designed and built by U.S. companies. India considers the continued operation of this facility, which is subject to IAEA safeguards, as vital to meet its electric power needs. The parts it seeks are important to furthering the safe operation of the plant. We are principally concerned with the health and safety of individuals working at the Tarapur facility and those living nearby.

It was in these circumstances that Secretary Shultz informed the Government of India during his recent visit to New Delhi that the President would be prepared to take measures designed to ensure the availability from the United States of required parts that could not be supplied from other sources.

Notwithstanding the significant health and safety aspect involved, the steps which have been taken so far in this matter—and the steps we will take in the future—will be with full and careful attention to the nonproliferation considerations involved, both from the standpoint of our overall policy and that policy *vis-a-vis* India.

To date, we have not been able to determine whether all of the required parts will be available from non-U.S. sources. Discussions between India and potential non-U.S. suppliers are continuing.

Discussions With the People's Republic of China

Over the course of the last several years, the People's Republic of China (P.R.C.) has developed plans for an ambitious program for the installation of a substantial number of nuclear power stations in those areas of the country where coal and hydroelectric resources are not available. Those plans call for the importing of the initial plants and, at the same time, the acquisition of the technology and the facilities to permit China's industry to manufacture much of the equipment required for the later plants.

The Chinese authorities have expressed an interest in obtaining the services of experienced U.S. firms in im-

plementing that program. Accordingly, since 1981, the possibility of a bilateral agreement for cooperation in the peaceful uses of atomic energy, as required by the Atomic Energy Act for significant exports of the kind that would be sought by the P.R.C., has been discussed with China. This Administration believes that, under appropriate conditions, such cooperation would be in the interest of the United States. Conclusion of an agreement for cooperation within the terms of the Atomic Energy Act would demonstrate the readiness of the United States to expand its relationship with the P.R.C. in areas of mutual interest and could lead to cooperation in other areas as well. It would also provide additional opportunities to encourage China to adopt nonproliferation policies, including those related to its exports of nuclear materials, equipment, and technologies—policies which would be consistent with those which have been developed and adopted by the major suppliers.

The most recent discussions with the Chinese authorities took place in July, when a delegation visited Washington at the invitation of Secretary Shultz. In those discussions, nonproliferation matters were addressed extensively. Overall, good progress was made in clarifying the views of both sides. At that time, we were told that the P.R.C. was considering joining the IAEA. Since then, Director General Blix has visited Beijing to discuss the P.R.C.'s interest in membership, and just recently its formal application has been submitted. We welcome this action by the P.R.C. as an indication of its intention to play a constructive role in nonproliferation and international cooperation in the peaceful uses of atomic energy.

Within the next few days, I will lead a delegation to Beijing to continue the discussions with the P.R.C. We will seek to confirm that we share the same basic principles regarding nonproliferation as a basis for further discussion of possible cooperation.

Bilateral Discussions With the Soviet Union

The United States and U.S.S.R. have held two rounds of bilateral meetings on a broad range of nonproliferation issues. The first session was in Washington December 15-17, 1982, and the second took place in Moscow June 14-16, 1983. I headed the U.S. delegation at both sessions, and the Soviet side was headed in December by Ivan Morozov, until recently Deputy Chairman of the State Committee on the Utilization of Atomic

Energy, and in June by A. M. Petrosyants, Chairman of the State Committee. The talks during both rounds were frank and positive, with a very constructive exchange of views.

The discussions were divided into plenary and working group sessions. In the plenary, a wide range of issues was covered. These included prospects for strengthening the international nonproliferation regime, assuring the safe development of nuclear energy, and encouraging additional countries to sign and ratify the NPT and the newly established Convention for the Physical Security of Nuclear Materials. Discussions also took place on ways to strengthen the IAEA and on preparations for the third review conference for the NPT to be held in 1985.

Working groups held detailed discussions on specific issues, such as export controls, and multilateral issues, including the IAEA and its safeguards system.

The two sides agreed that the IAEA safeguards system was crucial to the success of the international nuclear nonproliferation regime. They agreed to take steps to try to strengthen that system and also agreed that other IAEA-sponsored activities, such as the work of the Committee on Assurances of Supply and Technical Assistance and Cooperation activities, should also be strongly supported. The Soviets expressed support for the concept of comprehensive safeguards, as recently proposed by the President, but believe the policy cannot be effective until all major suppliers adopt it.

On export issues, it was clear that the United States and the Soviets share the view that meaningful controls over nuclear exports can make a significant contribution to achieving our nonproliferation goals. The need to ensure that controls evolve in respect to technological change and the spread of nuclear capabilities was dealt with in some detail. The Soviets also agreed with us that it will be important for emerging new suppliers to apply meaningful export controls and adopt standards equivalent to those in the current international nonproliferation regime.

The two rounds of discussions and the accompanying exchange of views with the Soviets on nonproliferation issues have made a useful contribution to our efforts to restrain the spread of nuclear explosives.

EURATOM and Japan Negotiations—Plutonium Use

Regarding the EURATOM and Japan negotiations on plutonium use, you may recall that in September 1982, I testified before the Subcommittee on Energy, Nuclear Proliferation, and Government Process of the Senate Committee on Government Affairs on the policy decisions made by the President in June 1982 on these matters. At that time, the President decided on a new approach to give our close allies in EURATOM and Japan a firmer and more predictable basis upon which to plan their vital energy programs, while at the same time furthering our nonproliferation objectives, including strengthened controls over civil plutonium.

At that time, I reported that the United States was offering Japan and the countries of EURATOM new, long-term arrangements for implementation of U.S. consent rights over the reprocessing and use of materials subject to our agreements for peaceful nuclear cooperation. This advance, long-term approval would apply only to facilities and activities which we determine meet our strict statutory criteria. The United States would be prepared to state its intention to consent to other facilities and activities in these programs when we have sufficient information about them to make the necessary determinations under our law.

Finally, I noted that these offers were being made in the context of seeking new or amended peaceful nuclear cooperation agreements with Japan and EURATOM and that the approvals would be valid only as long as the conditions provided in the agreement, including nonproliferation and statutory conditions, continued to be met. Our willingness to take these steps presumed a continuing strong commitment of these countries to our common nonproliferation efforts and to developing and implementing more effective controls over plutonium.

We have provided detailed proposals on this subject to the Government of Japan and in the last year have had seven negotiating sessions with the Japanese, in Washington and Tokyo, in an effort to reach agreement both on the long-term arrangement for plutonium use and on the peaceful nuclear cooperation agreement. I can report to you that we have made significant progress in a number of areas but that there are important matters that remain to be resolved as well. As the substance of these issues is under

negotiation between the two governments, I cannot go into the details in open session. I can say, however, that both sides continue serious and intense efforts to find solutions and approaches that will permit them to reach agreement at an early date. As I have always done, I will keep the Congress briefed on significant developments.

Progress with EURATOM is slower. This is understandable, since negotiations with EURATOM are complex by their nature, given the institutional arrangements that apply within the European Communities, and the need for the EC Commission to consult with member states. I can report that we provided the EC with details of our new proposals last spring. The EC Commission requested time to study those proposals and to consult informally with member states. This month we have just received a number of detailed questions concerning our proposals, and we would anticipate early talks with the commission to clarify our proposals and to agree on how to proceed thereafter.

Trigger List Upgrade

You have requested an update on our efforts to improve international guidelines for controlling exports which could be used for nuclear explosives development. As you know, there are two internationally agreed trigger lists adopted by nuclear suppliers in the mid-1970s to control their export activities. They are called "trigger lists" because the export of any listed item triggers the application of safeguards on that item. The first list is linked to the NPT which requires safeguards on items "especially designed or prepared" for the processing or production of fissionable material. This list is implemented through the 21-member NPT Exporters Committee—also called the Zangger committee, after its Swiss chairman. In addition to the Zangger list, there is a substantially identical trigger list not linked to the NPT but which was implemented through the informal nuclear suppliers' group—often referred to as the London group because it initially met in the United Kingdom.

Both these lists have been extremely important for the effort to control sensitive nuclear exports to countries of proliferation risk. Over the past few years, however, it has become clear to us, and several other suppliers, that it would be useful to further refine and clarify the lists, in response to technological developments and the

spread of nuclear capabilities to additional nations.

I am pleased to report that substantial progress has been made on this initiative. We have made a commitment to other participating governments that the detailed status of the negotiations would remain confidential until administrative arrangements can be completed. This will take a few months. I would be pleased to go into specifics with you or members of your staff in closed session; however, I can make a few comments in open session which give a general picture of our approach and the progress achieved so far.

We have decided to approach the trigger list upgrade on a technology-by-technology basis. We have begun the discussions of each process on a technical basis, with a small group of the key technology holders in that field. Once a technical consensus has been achieved on what refinements in the trigger list are necessary, the discussions have been expanded to other nations. The additional nations may not be centrally involved with the industrial applications of a particular technology, however; they may nonetheless be able to export certain items related to that process. Therefore, the participation of such nontechnology holders is important if the control regime is to be effective.

We began our efforts over a year ago with the gas centrifuge uranium enrichment process because of its sensitivity and the interest being shown in the process by nations of proliferation concern. After much effort, we are near final agreement on a revised trigger list for this technology. We are making good progress on other sensitive nuclear processes, but it will take sustained effort to achieve broad agreement on the range of technologies which must be considered.

In concluding my remarks on this subject I would like to emphasize two points.

First, we regard this important initiative as fully consistent with our nonproliferation obligations under Article III of the NPT and other commitments we have undertaken in the nuclear suppliers group. The group's guidelines recognize that periodic review and updating of the trigger lists may be necessary to assure that they remain effective. We are committed to this process of continuing review.

Second, implementing strict nonproliferation controls and revising them periodically is not an exercise in technology denial, as some have charged. If nuclear power is to play a

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role in meeting the world's energy needs, world public opinion must be assured that this technology will not be diverted from its intended peaceful purposes to explosives development. Our export control system plays a key role in providing that assurance. Therefore, all nations have a stake in a nonproliferation regime which clearly demonstrates that nuclear technology will not be misused, a regime which adjusts to meet changed circumstances—whether technical or political.

Hexapartite Safeguards Project

As you may know, we have recently concluded an important international effort to strengthen IAEA safeguards. In this effort, known as the hexapartite safeguards project, the countries which have developed gas centrifuge uranium enrichment technology assisted the IAEA inspectorate—and the EURATOM inspectorate—in the development of a safeguards approach for enrichment plans using this new technology.

Several years ago several countries had developed gas centrifuge enrichment technology to the point where they began to build demonstration or commercial scale plants and, pursuant to their NPT obligations, make these plants available for IAEA safeguards. The IAEA at that time had no experience safeguarding gas centrifuge enrichment plants—or any other type of enrichment plant, all of which had been located in nuclear weapons states. At the urging of the United States, a special international project was established, comprising technical experts from the six countries that have this technology and from the safeguards inspectorates of the IAEA and EURATOM. During the next 2½ years, these experts developed a safeguards approach that provides effective safeguards while properly protecting the technology.

In April 1983, the project was concluded, and the six technology holders undertook, in an exchange of diplomatic notes in Vienna, to permit the implementation of international safeguards based on the limited frequency unannounced access approach at their existing and planned commercial gas centrifuge uranium enrichment plant. Four of the project participants have gas centrifuge enrichment plants in operation or under construction. The operating plants include the two URENCO facilities at Almelo in the Netherlands and at Capenhurst in the United Kingdom and the Japanese pilot plant at Ningyo Toge.

In the United States, the Department of Energy's gas centrifuge enrichment plant is currently under construction and is expected to begin recycle operations in the summer of 1984, with actual production scheduled for late summer of 1985.

We understand that the facility attachment negotiations for the Dutch and Japanese plants will be begun in the near future. The United Kingdom has listed its Capenhurst plant as eligible for IAEA safeguards under the U.K. voluntary offer; the IAEA has selected this plant for safeguards, and facility attachment negotiations are also expected to begin in the near future.

For our part, following the exchange of notes, we immediately took steps to place our gas centrifuge enrichment plant on the list of facilities eligible for safeguards under the U.S. voluntary offer, as required by our commitment in that offer to make available for safeguards all U.S. facilities deemed not be of direct national security significance. Following notification to Congress, the IAEA was informed that this plant was eligible for selection for safeguards, and the IAEA was invited to participate in a facility orientation visit to the plant. At the end of July, the IAEA formally selected the gas centrifuge enrichment plant for safeguards, and the first IAEA inspection was conducted in early August, as the first small quantity of nuclear material was brought onto the site. The IAEA team responsible for negotiating facility attachments for all gas centrifuge enrichment plants was given a special orientation briefing and tour of the facility at this time. Once plant construction is sufficiently advanced, we will provide the appropriate design information to the IAEA and initiate facility attachment negotiations. We expect to provide the design information sometime around the first of next year.

To summarize then, all the hexapartite safeguards project participants are currently engaged in the implementation of their respective undertakings, as made at the conclusion of the project. We fully expect that by the time that the facility attachment for our gas centrifuge enrichment plant is completed and enters into force, the other parties will have completed similar arrangements with respect to their existing gas centrifuge enrichment plants.

Reestablishing Dialogue—Brazil and Argentina

A key element in our nonproliferation efforts has been to reestablish or strengthen a dialogue on nuclear cooperation and nonproliferation matters with states where such dialogue may have languished. This effort is perhaps best exemplified in the cases of Brazil and Argentina. For several years our relations with these two countries in the nuclear area were severely strained. The export of nuclear fuel and facilities to these countries had been prohibited by the Nuclear Nonproliferation Act unless full-scope safeguards were adopted and each country has indigenously developed nuclear facilities which have not been submitted to safeguards. Both countries have declined to sign the Nonproliferation Treaty, although both have signed, but not brought into force, the treaty of Tlatelolco.

We have stressed to both Brazil and Argentina the importance of the Nonproliferation Treaty, the benefits of full adherence to IAEA safeguards, and we have urged both countries to waive into force the treaty of Tlatelolco. We have urged both to strengthen their support for the IAEA and its safeguards programs. Meanwhile, we believe it important to carry on a dialogue on nuclear matters with those countries so that we can create a stronger sense of mutual confidence and an informed understanding of each other's nonproliferation concerns and objectives. In this respect, the Administration is looking to limited nuclear cooperation in the area of nuclear safety and waste management, consistent with the Atomic Energy Act, while engaging these countries in renewed discussions regarding our nonproliferation goals.

Our discussions with Brazil have taken place under the aegis of the U.S.-Brazil joint working group, which was established jointly by President Reagan and President Figueiredo, following President Reagan's trip to Brazil last winter. The working group was tasked with exploring bilateral problem areas and exploring new opportunities for cooperation. Five subgroups were established, one of which dealt with nuclear matters.

Last May, I led a U.S. delegation for the first meeting of the nuclear subgroup in Brasilia. At that time we outlined potential areas of nuclear cooperation and also had a full discussion of nonproliferation matters, including the importance of controls over

nuclear exports and adherence to the treaty of Tlatelolco. Significantly, the Brazilian side stressed that by virtue of signing the treaty of Tlatelolco, Brazil considered itself legally and morally bound by its principles even though the treaty was not yet in force.

The U.S.-Brazil nuclear subgroup met again in Washington in August and agreed to pursue a number of areas of nuclear cooperation, including nuclear safety, spent fuel and waste management, and reduced enrichment for research and test reactors. The meeting also afforded the opportunity to discuss President Reagan's initiatives on comprehensive safeguards and a series of nonproliferation and multilateral issues, including reducing politicization in the IAEA, the IAEA Committee on Assurances of Supply, and the prospects for an international plutonium storage regime.

We also discussed the U.S.-Brazil enrichment services contract. We have been unable to complete our side of the contract in the existing circumstances because we cannot export the enriched product to Brazil given the limits of the Nonproliferation Act. Accordingly, the United States and Brazil agreed that it would be in their mutual interest to suspend indefinitely the contract, as to which we had already suspended the first reload. We will continue discussions with Brazil concerning safeguards matters and would hope that a situation could be developed which would permit reinstating the fuel supply contract.

We believe that the working group meetings were highly successful and have led to a renewed spirit of cooperation between the United States and Brazil. For our part, we will be continuing these contracts, taking the opportunities to discuss with Brazil our nonproliferation concerns.

Argentina has presented a similar situation for many years. Our relations in the nuclear area have been strained, and it has been difficult to find opportunities to pursue our nonproliferation objectives with the Government of Argentina. For this reason, the Administration is also working to regain a dialogue with Argentina—a dialogue which would encompass renewed discussion of our nonproliferation goals, while at the same time we seek areas where the United States and Argentina can cooperate, within the limits of our law.

During my trip to South America last May, I had extensive discussions with Admiral Castro Madero, the President of the Argentine Atomic Energy Commission. I stressed the importance

of bringing into force the treaty of Tlatelolco, the necessity of strengthening IAEA safeguards, the desirability of comprehensive safeguards, the need for emerging nuclear suppliers, such as Argentina, to follow agreed rules of nuclear trade, and the need to support and strengthen the IAEA. As in the case of Brazil, we discussed possible areas of nuclear cooperation between the United States and Argentina.

Argentina has since followed up on our discussions and indicated an interest in pursuing cooperation in nuclear safety, waste management and spent fuel technical assistance, systems of accounting and control, reduced enrichment for research and test reactors, and laboratory-to-laboratory exchanges. Over the next few weeks, we will be examining these possibilities with a view to further talks during the IAEA general conference in October.

Again, I believe that our initiative toward a dialogue is proving productive. Our discussions were frank and cordial and, while differences of view are evident, our talks have shown that there is a considerable measure of agreement on the need for common efforts to prevent the spread of nuclear weapons.

South Africa

South Africa is another country with which we are re-establishing a dialogue on nonproliferation matters. In the absence of South Africa's acceptance of full scope safeguards, the United States has not permitted the export of significant nuclear materials or equipment to South Africa since 1978. Unfortunately, over the same period our discussions with South Africa on nonproliferation matters had languished.

During the past year, we have revived our discussions with South Africa across a broad range of safeguards and nonproliferation matters, including adherence to comprehensive safeguards and the Nonproliferation Treaty, strengthening the IAEA safeguards regime, and requiring safeguards on all significant nuclear fuel and facilities placed in international commerce. We have also taken the opportunity to stress to the South Africans the benefits of placing their enrichment facilities under IAEA safeguards. At the same time, we have also discussed the possibility of resolving our differences on the existing uranium enrichment services contract between South Africa and the U.S. Department of Energy.

We believe that South Africa recognizes the importance of safeguards,

as they might apply to their semicommercial enrichment facility. We also believe that South Africa understands the importance of safeguards on international nuclear commerce. As these discussions continue, I plan to keep the Congress fully and currently informed on any developments which may occur.

International Atomic Energy Agency

Since I last testified before the committee, a great deal has occurred in the International Atomic Energy Agency. As you are aware, we left last September's general conference in protest against the illegal rejection of the credentials of the Israeli delegation. Since then, we have been pleased that our message to the IAEA membership seems to have been heard and heeded. Our extensive consultations with many members demonstrated that the great majority agreed with us on the need to reduce politicization in the IAEA. Following an extensive reassessment of U.S. participation in the IAEA, the President approved the resumption of U.S. participation and agreed that the IAEA safeguards system performs a critical role for U.S. national security, nonproliferation, and peaceful nuclear cooperation interests. Significantly, both the February and June meetings of the IAEA Board of Governors were businesslike and devoid of excess rhetoric or divisive dispute.

Thus, we are encouraged that the majority of the membership appears to agree that (1) the IAEA is a useful and worthwhile organization, (2) that extraneous political posturing and actions which threaten to destroy the IAEA are counterproductive, and (3) it is time to concentrate on the main objectives of the IAEA—to spread the benefits of peaceful nuclear technology under appropriate safeguards.

Nevertheless, I cannot claim that this year's general conference will be totally free from problems. We will continue, however, to take strong measures to protect Israel's rights of membership in the IAEA, to assert our view that the agency must act in accordance with the precepts of its statute and concentrate on its mandate to assure the benefits of the peaceful uses of nuclear energy with safeguards to guard against its misuse.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Issues for the 1984 Population Conference

by Richard Elliot Benedick

Statement before the Economic Commission for Europe meeting on population in Sofia, Bulgaria, on October 7, 1983. Ambassador Benedick is Coordinator of Population Affairs.

I would like first, on behalf of the U.S. Government, to express appreciation to the Economic Commission for Europe (ECE) and the UN Fund for Population Activities (UNFPA) for organizing this important meeting, and to the Government of Bulgaria for its hospitality in welcoming us to this gracious city. Already in my first hours here, I have been impressed both by the charm of its street scenes and by the imposing monuments to the history and cultural heritage of the Bulgarian people.

The nations represented here—of Europe and North America—share many common demographic characteristics and problems, which I know will be discussed in scientific detail in the coming days. But I hope it may not be considered presumptuous of me to remind my distinguished colleagues that the primary purpose of this meeting is to prepare for the international conference on population, to be held in Mexico City in August 1984, and that the nations represented in this hall account for well under one-fourth of the total population of the planet Earth.

Increased Birth Rates

As serious as our own demographic problems may be, the vast majority of the world's peoples are experiencing a very different phenomenon—high birth rates and rapid population growth in numbers that are unprecedented in the history of the human race. Viewed from a global perspective—as we must, in preparation for Mexico City—these problems, in terms of fertility, mortality, and movements of population, have an urgency that we cannot ignore.

According to the latest evaluations of global trends by the U.S. Bureau of the Census, the rate of growth of the world's population has not continued the slight decline which began in the 1960s but rather has leveled off since the mid-1970s at an annual rate of 1.7–1.8%. Behind this global figure lies a disturbing fact—in less developed

regions, excluding China, the average annual growth rate appears to have remained virtually unchanged at about 2.4% since the early 1960s.

There are indications in many developing countries that both birth rates and death rates have leveled off at relatively high levels. We view with concern the persistence of high levels of infant, childhood, and maternal mortality in many developing countries, as well as the premature slowdown in the pace of mortality decline.

New medical evidence indicates clearly that high birth rates, too close spacing of births, and the age of mothers (when too young or too old) have an adverse influence on the health of both mothers and children. We also note with concern that, during this period of rapid population growth, per capita food production has declined in most developing countries, and the number of undernourished people in the world continues to rise. Similarly, despite strong efforts to improve access to education, the population increase has resulted in a rise in the number of children in the poorer countries who are not enrolled in school. There are similar adverse implications of rapid population growth for diversion of resources from investment to consumption; for unemployment, especially among urban youth; for degradation of the environment; for urban and social problems, including the tragedy of large numbers of abandoned children in some countries; and for internal and international migration. These developments have profound political, economic, and human implications for every nation represented here—even though our domestic demographic concerns are very different and, I might say, much more long-term in nature.

With the numbers being added to the world's population continuing to grow each year, and with 90% of this growth concentrated in the world's poorer countries, I submit to you that the proper focus for the Mexico City conference should be on this most urgent population problem of our generation. Already this issue has been recognized in the international development strategy for the Third UN Development Decade and in the substantial new program of action for the 1980s for the least developed countries, which

notes that "the rapid rate of population growth in a number of the least developed countries during the past decade has made it extremely difficult for governments to achieve their development goals."

This theme has been reiterated in regional meetings of parliamentarians of Africa, Asia, and Latin America, as well as in the first of the UN regional economic commission meetings, that of Asia and the Pacific, held last September in Colombo, Sri Lanka. The last-mentioned conference issued an unequivocal "call for action on population and development" which urged countries to adopt policies and implement programs aimed at achieving a replacement level of fertility by the year 2000, primarily through strengthening of family planning services, information, and research.

Family Planning Information

We recognize that the primary responsibility for such programs rests with the sovereign nations themselves. By comparison with such other development sectors as agriculture, population is not a field where massive amounts of foreign aid are needed. Nevertheless, there is a crucial and catalytic role for external assistance and technology transfer, and it is a fact that requests for such aid are now outstripping the budgets of the UNFPA and bilateral donor countries. There is also an urgent need for upgraded priority to international biomedical research into safer, more effective and acceptable means of fertility regulation including natural family planning techniques as well as other medically approved methods.

The importance of access to family planning information and services as a basic human right is a fundamental element of the world population plan of action.

This applies not only, of course, to the developing countries. A study released last month, for example, indicated that in the United States more than half of pregnancies are unintended, and nearly half of these end in abortion. With the numbers of women of reproductive age rising dramatically in the next 20 years—an increase of about 400 million women alone in the Third World, even excluding China—it is evident that tremendously increased efforts are needed to assure these people of the right to control their family destiny.

Many lessons have been learned since the Bucharest conference of 1974, and much of the divisive debate of that

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era can, hopefully, now be put aside as we attempt, together with the developing countries, to resolve the urgent population issues which face us. Human life is precious, and it is precisely because of our concern for the quality of that life that the issue of population growth is at the center of attention. Our objectives are clear. Every child should be a wanted child, receiving the attentions of a stable family unit, whose

members benefit from a better quality of life than that which unfortunately prevails in many parts of the world today. In achieving this goal, the United States firmly believes that population policies and programs should be truly voluntary, should provide informed choice among the various methods of family planning, and should be respectful of human dignity and local cultural and religious values. ■

Proposed Refugee Admissions for FY 1984

Following are statements by Edward J. Derwinski, Counselor of the Department of State, and Ambassador H. Eugene Douglas, U.S. Coordinator for Refugee Affairs, before the Senate Judiciary Committee on September 26, 1983. Also included is President Reagan's memorandum of October 7, 1983.

MR. DERWINSKI

Few subjects are of greater human concern in our foreign policy than the plight of the world's refugees. Each decade in the past half century has its record of refugees seeking escape from oppression. In this decade alone we have witnessed three mass flights on a historic scale: 1.6 million refugees from Indochina; 1 million from Ethiopia; and over 3 million from Afghanistan. The human costs of such exoduses can be measured in the loss of people to the home country, often including the ablest and most spirited; the burden of added population to the receiving countries, whether near or far; and the human toll on the refugees themselves.

As in the past, the countries from which the largest numbers of refugees have fled are those that have fallen to communist domination or leadership, for it is in those countries that the basic aspirations of life—which we sum up in the term human rights—are most persistently violated.

As we look to the future there is growing recognition of the need for a full international process of burdensharing to aid refugees. Such a process needs to look for new ways to expand the circle of countries prepared to assist in caring for refugees. We also need to consider what can be done to anticipate and prevent refugee flows, in particular to reduce the size and duration of the

massive exoduses that are occurring with increasing frequency. The rights of refugees need to be preserved and protected. At the same time, the responsibility of governments needs to be spelled out more clearly to reduce or eliminate the situations in which entire populations are forced to look to other countries for the minimum conditions of decent life.

This is especially evident as we recognize the growing difficulties that all refugee-receiving countries, including our own, face in absorbing refugees. Even where refugee movements take place within a geographic region they can have severe impact on the local populations and on economic development. The impact can be just as great if refugees are moved to distant third countries. The successful adaptation of some refugees should not obscure the hardship that the refugee experience imposes on all concerned. Discussion of refugee problems must start with a recognition of the need to come to grips with the root causes.

It should be stressed that America's leadership role does not, in most cases, require that refugees be admitted to the United States. A considered approach to refugee programs worldwide has made it possible in the past 2 years to reduce substantially the numbers of refugees for whom resettlement in the United States and other third countries is the appropriate solution. This has been a major U.S. policy objective, one that is supported by the UN High Commissioner for Refugees (UNHCR) and by the international community as a whole.

If prevention is the best cure for a refugee problem, then the next best, clearly, is for refugees to be enabled to return freely to their homelands. Often this cannot take place right away, but in time the factors that caused refugees to

flee may change enough to make possible such voluntary repatriation. We have supported such efforts wherever proposed by the UNHCR, always insisting that there be safeguards to assure that the refugees' rights are protected.

Even if voluntary repatriation is not immediately in sight, it makes sense to care for refugees within their region. In many cases neighboring countries have ties of language or ethnic character which ease the acceptance of refugees and facilitate their longer term integration. Such local resettlement also preserves the possibility of the refugees returning eventually to their homelands as conditions change. In general, the expectation needs to be challenged that becoming a refugee equates to distant emigration. Except where required by special circumstances, solutions to refugee situations should be sought close to home.

International Relief Efforts

Each year since 1981 a growing share of State Department funds allocated to refugee programs aids refugees overseas, with a declining portion devoted to the U.S. admissions program. Wherever possible, and in consultation with the host government and the UNHCR, our contributions support programs aimed at easing the transition to refugee self-sufficiency and long-term solutions. We look to the UNHCR to take the lead in organizing the international aid effort in such a way as to engage the widest possible number of donors and to bring to bear the resources of the appropriate international agencies—the World Food Program, UN Children's Fund (UNICEF), the World Health Organization, and the UN Development Program. Non-UN bodies such as the International Committee of the Red Cross (ICRC) and the League of Red Cross Societies, as well as private humanitarian organizations, also play vital roles in refugee assistance programs. Through these organizations, as well as directly, the United States aids refugees in every part of the world. Our refugee assistance will amount to some \$300 million in FY 1983, including Food for Peace commodities, and is likely to come close to that total in FY 1984.

Some of the major assistance programs that we support include:

Africa. The countries of Africa have been generous in granting refuge to large numbers of refugees, in many cases providing land for resettlement

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and conferring citizenship or other legal status on refugees. For our part, the United States has allocated a large proportion of our refugee assistance programs to Africa. In the Horn of Africa, several American private voluntary agencies serve as key operating arms for the UNHCR. The United States supports a number of special projects in such fields as education and health for African refugees and is a leading contributor to the ICRC program which aids refugees in areas of armed conflict and civil strife.

Central America. The United States has provided one-third of the support for international agency programs (UNHCR, ICRC, World Food Program) which assist Salvadorans, Guatemalans, and Nicaraguans who have taken refuge in Honduras and other countries of the area. Our programs are designed to encourage and maintain the asylum tradition of the Central American countries.

Pakistan. The United States has been a major contributor to UNHCR and other international programs to aid the 2.9 million Afghan refugees in Pakistan—the largest single refugee group in the world. The Government of Pakistan has carried the principal responsibility for assuring basic life support for the refugees within its borders. Some 17 voluntary agencies aid in providing refugee relief and services.

Palestinians in the Near East. The United States continues to provide financial support to the UN Relief and Works Agency (UNRWA) which is responsible for assisting Palestine refugees in the Near East. In addition, the United States contributed over \$100 million in relief and reconstruction aid for Lebanese and Palestinian displaced persons following the 1982 invasion of Lebanon.

Thailand and Kampuchea. The UN border relief operation continues to coordinate relief programs on the Thai-Kampuchean border. Attacks on border camps by Vietnamese military forces from within Kampuchea forced many Khmer to seek temporary refuge further inside Thailand, and the requirements for food and medical aid on the border remain substantial. We are a major contributor to the international antipiracy program organized by UNHCR to assist the governments of the area in protecting refugees from pirate attacks at sea and plan to use the added resources provided by the Congress for an expanded multilateral program.

International Resettlement Cooperation

Despite the emphasis given to aiding refugees in the regions of their homeland, there continue to be circumstances in which there is no humane alternative to moving refugees to other countries, including the United States. This is particularly so when refugees cannot be cared for in first-asylum countries and there is no prospect for return to the homeland without fear of persecution. In such situations the United States must continue to do its fair share, while recognizing that the responsibility for refugee resettlement is one which properly falls on the entire international community.

In the past year there have been continued actions to broaden the base of refugee resettlement. The UNHCR and the Intergovernmental Committee for Migration (ICM) have each acted within the terms of their mandates to encourage additional nations to admit refugees and to persuade traditional asylum countries to maintain or expand their programs. Significant numbers of refugees—Indochinese and others—are currently accepted by Australia, Canada, the Federal Republic of Germany, and France. Some countries with smaller programs accept handicapped refugees and those needing long-term medical care. Several governments have given commitments to receive refugees rescued at sea. In August of this year the United States met in Honolulu with senior immigration officials of Australia, Canada, and Japan to coordinate programs for Indochinese refugees. We plan to continue such consultations on an expanded basis in the year ahead.

Proposed Admissions Levels

The admissions ceilings proposed by the President for the coming year reflect these considerations and priorities and are based on a thorough review of U.S. foreign policy interests and humanitarian concerns balanced against the constraints of domestic impact. The numbers recommended for FY 1984 are as follows:

Africa	3,000
East Asia	50,000
Eastern Europe and the Soviet Union	12,000
Latin America and the Caribbean	1,000
Near East and South Asia	6,000
TOTAL	72,000

Refugee admissions to the United States since enactment of the Refugee Act of 1980 have been as follows:

FY 1981—159,252
FY 1982—97,355
FY 1983—61,000

In each of these years actual admissions have been well below the ceilings set by the President following the consultations with Congress. In the current year the estimated admissions will run some 29,000 below the agreed ceiling of 90,000. It has been our policy to accept only refugees of special concern to the United States, who meet our admissions criteria and are not otherwise excludable, for whom there are no other reasonable resettlement possibilities, and whose admission responds to compelling U.S. foreign policy interests or humanitarian concerns.

Africa. Although the great majority of African refugees are cared for within the region, there continue to be individual cases and groups of refugees for whom international resettlement is required. The proposed admissions ceiling of 3,000 will enable us to do our fair share to relieve the pressure in certain areas and to aid refugees who can be cared for in the region only with difficulty. This includes limited numbers of urban refugees who cannot be assimilated readily into rural areas and former political prisoners and other refugees needing resettlement abroad for political or security reasons. Our admissions priorities are responsive to the special claims of refugees with relatives or other ties to the United States, foreign links which themselves sometimes make it more difficult for a refugee to be resettled locally.

East Asia. Although the number of new refugees arriving in first-asylum countries of Southeast Asia is down from the peaks of past years, there continue to be some 192,000 currently in first-asylum refugee camps. (This figure does not include an additional 210,000 Khmer in border encampments along the Thai-Kampuchean frontier.) Deep ethnic and national differences and antipathies make resettlement in nearby countries always difficult and in most cases impossible. Consequently, the countries offering temporary refuge—our close friends and allies—remain under heavy domestic political pressure to limit the numbers of refugees in their territory. The proposed admissions ceiling of 50,000 thus responds to urgent foreign policy and

strategic factors, as well as considerations of compelling humanitarian concern.

The countries of the Association of South East Asian Nations (ASEAN) have been on the front lines of this refugee emergency since its beginning. For them it represents the direct, visible consequence of oppressive, aggressive policies by the Vietnamese authorities toward their own people and toward the neighboring states of Kampuchea and Laos. For domestic as well as strategic reasons the ASEAN countries have a vital interest in limiting the impact of the refugee influx, and they share our objective of bringing this program to a humane conclusion.

The recent discussions in Honolulu confirmed that this goal is in accord with the policies of the other major resettlement countries aiding Indochinese refugees and with the internationally mandated objectives of the UNHCR. We hope that the downward trend of new arrivals and the combined effort of the countries of the area, the resettlement countries, and the UNHCR will result in a continued reduction of the refugee population which will make it possible to look to the next 2 years as the final stage of this historic program.

Responding to a recent presidential directive, the State and Justice Departments have reached agreement on revised guidelines for refugee processing which spell out in detail the characteristics and categories of various groups with an apparent claim to refugee status. Immigration and Naturalization Service (INS) officers will continue to be responsible for making individual case-by-case determinations for U.S. admissions, but the detailed information in the guidelines should make it possible to evaluate refugee claims on a more consistent basis.

In the current year the total number of Indochinese refugees entering the United States before September 30 is estimated at 39,500, some 24,500 less than the 64,000 ceiling for FY 1983. Another 15,000 Indochinese approved by INS during this year will be in ESL/CO [English-as-a-second-language and cultural orientation] classes or en route to such classes as of the end of this year and will enter the United States under the FY 1984 ceiling.

The proposed East Asia ceiling for the coming year takes account of three programs directed at situations of particular concern to our country:

- *Orderly Departure Program (ODP) from Vietnam*—The ODP was established by agreement between the UNHCR and the Vietnamese authorities following the Geneva boat refugee conference in July 1979 to provide a safe, legal alternative to the appalling risks of refugee flight by sea. There was a significant expansion of this program in 1983, bringing the numbers to a monthly departure rate for the United States of close to 1,000 persons. (About the same number depart for other countries.) There are indications that Vietnamese who may be considering illegal flight are at last regarding the ODP as a viable alternative. A significant portion of the FY 1984 numbers for East Asia will be utilized for ODP cases.

- *Amerasian Children from Vietnam*—As the committee knows, we have carried out the objective of the Amerasian legislation in the case of Vietnam through the orderly departure program, utilizing refugee numbers as necessary. Vietnamese-American children are of especially compelling concern to many Americans, and we want to be certain that adequate numbers are available to admit all such cases. The total number of Amerasians admitted thus far, in-

cluding immediate relatives, is over 1,000 persons. The numbers have increased in recent months, and a growing proportion are admitted as refugees.

- *"Re-education Camp" Prisoners*—We have long made clear our special concern for those Vietnamese, many of them associated with our past programs in Vietnam, who have been held as political prisoners in so-called "re-education camps," a euphemism for concentration camps. Many such prisoners have been held since 1975 under conditions of severe privation and hardship. Some have been released for "re-education in place," allowed to return to their homes but still deprived of their civil and political rights. We have asked the UNHCR and the ICRC to intervene on behalf of these prisoners, to seek improvement in their conditions of detention, and to attempt to arrange for their release. There can be no question of our obligation to consider such former detainees for admission under our programs. Many, probably most, are likely to qualify under our highest priorities.

Responding to recommendations of this committee, we have strengthened and extended the English-as-a-second-language and cultural orientation pro-

President Reagan's Memorandum, Oct. 7, 1983

Presidential
Determination No. 83-11

MEMORANDUM FOR THE HONORABLE
H. EUGENE DOUGLAS
United States Coordinator for
Refugee Affairs

SUBJECT: FY 1984 Refugee Ceilings

In accordance with the relevant statutes and after appropriate consultations with the Congress, I have determined that:

- The admission of up to 72,000 refugees to the United States during FY 1984 is justified by humanitarian concerns or is otherwise in the national interest;
- The 72,000 worldwide refugee admission ceiling shall be allocated among the regions of the world as follows: 50,000 for East Asia; 12,000 for the Soviet Union/Eastern Europe; 6,000 for the Near East/South Asia; 3,000 for Africa; and 1,000 for Latin America/Caribbean; and
- An additional 5,000 refugee admissions numbers shall be made available for the adjustment to permanent residence status of aliens who have been granted asylum in the United States, as this is justified by humanitarian concerns or is otherwise in the national interest.

In accordance with provisions of the Immigration and Nationality Act and after appropriate consultations with the Congress, I specify that special circumstances exist such that, for the purposes of admission under the limits established above, the following persons, if they otherwise qualify for admission, may be considered refugees of special humanitarian concern to the United States even though they are still within their countries of nationality or habitual residence:

- Persons in Vietnam with past or present ties to the United States; and
- Present and former political prisoners, and persons in imminent danger of loss of life, and their family members, in countries of Latin America and the Caribbean.

You will inform the appropriate committees of the Congress of these determinations.

This memorandum shall be published in the *Federal Register*.

RONALD REAGAN

cc: The Secretary of State
The Attorney General
The Secretary of Health and Human Services ■

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grams in the Refugee Processing Centers (RPCs), with close to 90% of working-age Indochinese refugees now receiving this training before they enter the United States, many of them for a full 6 months. Preliminary results of independent studies confirm the value of such overseas language and cultural studies in preparing refugees for entry to the United States. We have also initiated language-training programs for Ethiopian refugees entering the United States from Africa.

In cooperation with the Center for Disease Control of the U.S. Public Health Service, we have taken a series of actions to improve the medical screening and treatment of refugees before their departure for the United States, with strengthened followup measures, where needed, by public health officials in the United States. Improved medical facilities are planned for the RPCs to be provided in part through contributions from the Japanese Government and private sources. In addition to the improvement in health care for refugees that this will make possible, it is clear that the costs of treating medical problems abroad are significantly below the costs of comparable treatment in the United States.

Soviet Union and Eastern Europe.

The past year has been marked by a continued decline in the number of refugees permitted to leave the Soviet Union and continued substantial but relatively stable numbers of Poles and other East Europeans in temporary refuge in Western Europe. The total number of Jewish refugees coming to the United States from the Soviet Union fell below 1,000 this year for the first time since Jewish emigration began to be permitted in the early 1970s. The decline has been accompanied by public campaigns in the U.S.S.R. alleging that all Soviet Jews wishing to depart have done so, a claim rejected by concerned experts in our own country and Israel. The number of Armenians coming to the United States from the U.S.S.R. has continued at the 300-400 level of last year, also a historic low since this program began.

The majority of the refugee numbers for this region, accordingly, are being utilized for Poles and other East Europeans. Most such refugees manage to make their way to Austria, the Federal Republic of Germany, and other West European nations where they are able to apply for permanent resettlement elsewhere. The largest single group are Poles who were already in Western

Europe when martial law was declared in their country at the end of 1981. There are few signs of Poles returning home following the announced "suspension" of martial law in July 1983, and many Poles outside their country continue to seek opportunities for permanent refuge in the West.

In the past year, some 500 former political detainees in Poland, mostly Solidarity activists who have been released from prison, were permitted to travel to the United States with their families. The former prisoners make initial application at American posts in Poland and are assisted in further processing and travel to the United States by the Intergovernmental Committee for Migration (ICM). A comparable number of ex-detainees have been accepted by other countries.

There continues to be a substantial flow of refugees from other East European countries, many of whom can be expected to come to the United States. Since the Second World War, East European refugees have looked to our country as a safe haven from the communist regimes of their homelands. Many continue to do so.

Latin America and the Caribbean.

Although there are substantial numbers of refugees and persons displaced by fighting and civil strife in Central America, the tradition of asylum in neighboring countries remains well established. Our programs are designed to encourage and support that tradition. The proposed ceiling of 1,000 will enable us to relieve situations of special concern by admitting to the United States former and current political prisoners, immediate relatives of refugees already in the United States, and persons with especially compelling needs. Our admissions will include a limited number of Salvadorans among those granted amnesty by the Government of El Salvador and their families, up to 200 persons in all. We continue to provide major support to UNHCR and other international assistance programs throughout the region.

Near East and South Asia. The proposed admissions ceiling of 6,000 will make it possible to admit selected cases out of the many refugees who have received temporary refuge within this area. By far the largest number are Afghans who have left their country since the Soviet invasion in late 1979: some 2.9 million now in Pakistan, a sizable number in Iran, and smaller totals in other countries including the

United States—in total well over 3 million. The great majority are tribal people who look forward to the possibility of returning to Afghanistan and for whom temporary resettlement is the preferred solution. As is the case in other regions, the primary U.S. response has been a major commitment to supporting the international relief programs established to care for the refugees within the area. In Pakistan these programs include self-sufficiency projects aimed at enabling refugees to contribute to their own support in their situations of temporary exile. The U.S. admissions program for Afghans is carried out on an individual basis and applies primarily to those with close family or other ties to the United States.

During the past year we have also implemented an admissions program for Iranians forced to leave their country following the overthrow of the Shah and the rise to power of the Ayatollah Khomeini. Based on our experience in 1983, we are extending our admissions program in 1984 to Iranian refugees outside their country, but not permanently settled, even if they do not have relatives or other ties to the United States. There has been special concern about such groups as the Bahais, Christians, Jews, and others singled out for discrimination by the current regime. Our admissions program will continue to offer a safe alternative for these and other victims of oppression.

Domestic Considerations

As reported to the committee in the mid-year consultations and in our testimony on the reauthorization of the Refugee Act of 1980, we have taken a series of actions aimed at improving the integration of refugees into our communities and cities. We are mindful that in bringing refugees to the United States we are, in effect, admitting future new Americans. Our goal has been a program that assures that all refugees coming to our country are given a positive start on the path to self-support through employment as productive members of our society. The history of our program shows this has been the case in the past, with many of yesterday's refugees and their children becoming leaders in our society today. We want to be sure our programs continue to serve that objective.

We have continued our expanded program of working with the private voluntary agencies to assure that refugees receive the full range of assistance specified in our cooperative

agreements. The voluntary agencies have a long record of helping refugees, in this country and abroad, for which they merit full recognition. At the same time, we believe that they and we have benefited from the monitoring of their operations that is now in effect on a continuing basis. There have been management reforms to establish self-monitoring by voluntary agencies, to strengthen contacts between local affiliates and welfare offices, to insure a minimum of 90 days' active assistance to each refugee, and to provide special attention to children who may be vulnerable to placement breakdowns, all serving the overall goal of assisting the refugees and their families in moving toward productive self-sufficiency.

In cooperation with the Department of Health and Human Services, we are taking advantage of the lower rate of refugee arrivals in 1983 and 1984 to bring about constructive changes in a program that grew rapidly in previous years, to some extent stretching the capabilities of all concerned. There is now in place a network of national, state, local, governmental, and private cooperation capable of assisting refugees already here and meeting the needs of the future. We believe the reception and placement program is working well and that further improvement can be expected in line with recommendations of the refugee assistance amendments of 1982 and the revised provisions of the cooperative agreements that have been presented to this committee.

Conclusion

Our refugee programs are an essential part of our foreign policy and continue a generous and humane American tradition. The admissions proposals outlined above will enable us to continue to do our fair share while helping to sustain the far greater numbers of refugees being assisted overseas. We hope they will have your support.

AMBASSADOR DOUGLAS

I am pleased to be here today to discuss with you the Administration's proposals for refugee admissions into the United States for the coming fiscal year. Along with that discussion, I would like to share with you some further philosophical observations concerning America's role in relation to the worldwide problem of refugees.

This is my second opportunity to formally consult with the Congress on the

annual refugee admissions to our country. As I observed last year, the position of the U.S. Coordinator for Refugee Affairs affords the incumbent one of the more exceptional platforms for observing a broad range of international, as well as domestic, political developments. In a sense, the issue of refugees is a concentrating prism of the events of our time.

Today my colleagues in the Administration will be explaining in full detail the executive branch's views on our request for the FY 1984 admissions ceiling of 72,000 refugees. I will go no further than the observation that we feel that the recommended ceiling meets humanitarian needs, protects the principle of first asylum, and is consistent with our domestic and international concerns. I need not remind this body that the task of balancing the foreign and domestic policy factors has become increasingly more difficult in recent years as refugee admissions have merged with other migration concerns to heighten public awareness regarding the local impact of absorbing large numbers of foreigners.

International Refugee Policy

Last year in an article published in the fall *Strategic Review*, I wrote that:

It is safe to predict that in the year 2000 human pressures on national borders, group demands for refugee status and resettlement, and individual appeals for asylum will still rank as major issues of domestic and international politics.

Noting the exceptional complexity of migration issues, I suggested that we are likely to see the sovereign control of borders, like the management of modern economies, becoming more and more a matter of consultation (if not confrontation) and negotiation between nations.

During the past year, my office has directed considerable attention to the resolution or improvement of international conditions that directly affect our domestic resettlement situation in the United States. In my view, many of the problems we experience in resettling refugees in America can be managed more effectively by first ensuring that we have taken all reasonable, possible actions to stabilize refugee populations worldwide. In order to do this we are carrying forward onto our FY 1984 agenda the following crucial tasks: (1) emphasize repatriation; (2) broaden the international participation in the planning and implementation of refugee self-sufficiency support activities, particularly in Africa; (3) maintain a strong com-

mitment among all the major donor countries which resettle refugees; and (4) continue improving the health and basic English-language and work orientation programs for refugees before they arrive in the United States. Every item on this list is important and will be difficult to achieve, but the matter of repatriation deserves special comment.

The United States is by far the most generous country in the world in accepting and helping refugees. At times, we may even be generous to a fault. For years we have accepted for permanent resettlement more refugees than all other countries of the world combined. We also accept hundreds of thousands of legal immigrants every year and an even greater number of illegal aliens who we make no serious or concerted effort to apprehend and expel once they have dispersed across the country. The United States also provides more assistance than any other country to the United Nations, Red Cross, and other agencies helping refugees. We should continue to be generous. But there are limits.

Over the past 8 years, the world has experienced successive refugee crises in the Far East, South Asia, and Africa where voluntary and safe repatriation has been difficult at best when not altogether impossible. We should bear in mind that the Marxist and Soviet-inclined governments in Indochina, Afghanistan, and Ethiopia have been quite content to see masses of their own people flee to become a burden on neighboring states. Our task is to see that this historically very brief hiatus in refugee repatriation does not become a new and very dangerous permanent state of affairs.

As an initiative of the coordinator's office, the first ministerial level meeting of the consultative group on refugees—Australia, Canada, Japan, the United States, and the UN High Commissioner for Refugees—took place in August. The important issue of voluntary repatriation recurred several times during the talks. The UNHCR was strongly urged to press vigorously to continue its program in the Horn of Africa and to reopen the voluntary repatriation program in Laos which was suspended earlier this year. With regard to Vietnam, while no one projected quick positive repatriation developments except for a limited number of humanitarian cases, it was recognized by all as important to engage the Vietnamese authorities in a continuing dialogue looking to the future.

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Voluntary repatriation, even under UNHCR auspices, can be a source of anxiety for the refugees themselves. We must be reasonable and compassionate in the selection and implementation of repatriation programs. But repatriation must be rehabilitated as a moral and practically viable option in the worldwide refugee picture, even though it will face us all with difficult, at times even tragic, choices. Yet unless we wish to see even larger resettlement flows or press countries of first asylum to the breaking point, we have few other options. One can only view with great disappointment the failure of the community of free nations to come to grips with the root causes of refugees.

A final note on the consultative group meeting. In light of the improved situation in Southeast Asia, the United States, Australia, and Canada agreed to maintain significant resettlement efforts for the next 18 months. For its part, Japan agreed to maintain current high levels of financial contributions to relief activities in the region and to actively consider raising its admissions ceilings from 3,000 to 5,000.

On another of the FY 1984 agenda topics, we have significantly improved, with the help of a \$4.3 million donation from the Japanese, the Bataan processing center in the Philippines for U.S.-bound refugees. The improvements in refugee health, English-language, and work orientation abilities that we expect from this project will do much to lower stateside medical costs for refugees and prepare them sooner to accept entry-level employment in their resettled communities.

A major refinement by the Administration of the refugee program was made this year when INS issued a new set of refugee-processing guidelines intended to improve the processing of refugees to the United States and to minimize arbitrariness in that process. These guidelines became effective in August 1983, but their major impact will occur in FY 1984.

In the coming year, we anticipate a further expansion in the orderly departure program from Vietnam. In addition to offering an alternative to the dangerous boat route, this program is the major vehicle by which we will bring out the remainder of the Amerasian children in Vietnam. Last year, we were able to bring out approximately 500 of these children through ODP. Next year, we hope to substantially increase that number. The release of these children from Vietnam is not only one of my priorities but implements the decision of

the Congress to extend a compassionate and generous hand to these children.

Not only Amerasian children but all refugee children—who are particularly vulnerable as refugees—are a special concern of my office. This past year, we have worked with the INS to review U.S. policy toward unaccompanied minor children in the refugee camps in Southeast Asia. We have now issued new processing guidelines to the field which we hope will resolve the backlog of this caseload.

Many of the problems we have been working on this year involved not only complex negotiations internationally, but extensive interaction between the various U.S. Government agencies involved in administering the refugee program. As a forum for planning and interagency cooperation, the President has established a Senior Interagency Group on Refugee Policy, which I chair. This group includes representatives of every U.S. Government Cabinet department and agency involved in refugee affairs.

Domestic Refugee Program

While international refugee questions—management and financial accountability of the international organizations, alternatives to resettlement, improving the ODP program, issuing new worldwide processing guidelines, and improving the preparation of U.S.-bound refugees—have occupied much of my attention this past year, we have also been attentive to the domestic side of the U.S. refugee program.

Despite all our efforts over the past years, significant problems persist in the domestic refugee program. Refugee costs remain high, as reflected by welfare dependency rates. The relationship and division-of-labor among the Federal Government, state governments, voluntary resettlement agencies, and sponsors remains imperfectly defined. In the absence of a broadly accepted revitalized sense of sponsorship, the refugees are moving more and more into the orbit of entitlement programs under state management. To us, this represents a regression in the traditional idea of refugee sponsorship which is unacceptable to this Administration and to most of the American people as well. We are committed to returning the principal responsibility for the resettlement of refugees to the private sector, albeit with adequate Federal assistance in the early stages. Having recognized the difficult situation we are still facing, I

hasten to add that I am not despondent about improvements, quite the opposite.

An important Administration proposal for FY 1984 is the consolidated or per capita grant program. We believe that per capita grants will provide states with much needed flexibility in their approaches to helping refugees obtain self-sufficiency and make them more accountable for the successes or failures of their management. It is the states and counties that can best make decisions about the most appropriate mix of cash support and social services in their area. The status quo needs improvement and the best improvements come from the local level—not from Washington.

The consolidated grant was never intended—and is not now structured—to cut the total amount of Federal funds available to the states and localities or to drastically deviate from the current allocation pattern among states. No aspect of the per capita grant program limits currently established Federal responsibility for refugees. The initiative is intended as a first step toward local solutions to the welfare dependency problem.

Congress is currently debating its initiative to bar refugee access from public cash assistance for the first 90 days they are in the country. I believe that this debate represents national frustration over various aspects of refugee sponsorship. Though the Administration has several problems with the proposed legislation, I agree with the underlying premise that traditional sponsorship and other private initiatives must be revived. In any case, the Administration is committed to working with resettlement agencies and the private sector to broaden the base for private initiatives and support. By this statement I do not mean that the private sector must necessarily match or exceed the Federal contribution dollar for dollar, but that individual, community, and church sponsors must be returned to the program in a personal and caring role for refugee individuals and families until they are able to support themselves.

The Administration's refugee team will continue to explore alternative programs for the delivery of services to refugees other than through the current Federal and state welfare network. The problem with delivering refugee services through Federal welfare programs, such as Aid to Families with Dependent Children, is that entitlement programs, which are not geared toward refugee self-sufficiency, take precedence over Refugee Act mandates. As a result,

some of the major incentives envisioned in the act to support early independence and self-sufficiency among refugees have been blunted. We will be taking a hard look at the delivery of these services through entitlements in the coming year to see if there is not a more efficient and effective means to let the Federal dollars do the job they are intended for—namely, promoting the earliest self-sufficiency. Often refugees do not find jobs as quickly as they otherwise might because of the disincentives built into the entitlement system which compete with the entry-level job market. But another reason is a lack of imaginative planning and a surprisingly widespread failure to emphasize our partnership with those who create jobs in this country—the private sector.

During this coming year, I intend to lead our efforts to better involve local business leaders in helping to resolve particular employment difficulties for refugees. We have had encouraging, although early, results this year from a small pilot program directed at jobs for Hmong refugees. In talking with various community business leaders throughout the United States in the past year, I find there is a tremendous reservoir of good will toward refugees that has yet to be mobilized. We will also continue to encourage self-help initiatives by refugee community organizations specifically aimed at refugee small business development.

We are also looking at the benefits of followup English-language training to refugees after they are working in order to stabilize job security and support upward mobility.

At the core of all the options we will look at in the coming year is the building upon and strengthening community resources that assist refugees, rather than continuing to rely on Federal Government programs originally designed for other needs.

Private sector responsibility for refugees during their initial period in the United States, volunteer sponsorship, refugee community self-help initiatives, and other options are not a panacea, but they are the building blocks which offer a base upon which to construct a sound, effective program.

We do not intend to diminish the Federal role in refugee resettlement but to revive the role of the private sector. The Federal Government is responsible for admitting refugees and for providing adequate support for resettlement. It is my strongly held view, however, that refugee resettlement is a partnership

among states, communities, resettlement agencies, churches, the business community, the Federal Government, and the Congress. We must find a more effective balance among this partnership to achieve the improvements we all acknowledge are needed in our resettlement programs. I am confident that the

resettlement partners will work together in the coming year to achieve the goals we have established.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

International Implications of Proposed Commercialization of LANDSAT

by Harry R. Marshall, Jr.

Statement before the Subcommittee on Legislation and National Security of the House Committee on Government Operations on September 28, 1983. Mr. Marshall is Acting Assistant Secretary for the Bureau of Oceans and International Environmental and Scientific Affairs.¹

I am pleased to have the opportunity to discuss with you the international implications of the proposed transfer of LANDSAT [land remote sensing satellite system] to the private sector.

The launch of LANDSAT-1 in 1969 initiated an era of experimental Earth remote sensing from space. The United States initiated this effort which became an important element in the social and economic development projects of many nations. LANDSAT has proved to be successful both nationally and internationally. A measurable body of national and international users has emerged. Now we are on the verge of a possible new era in Earth remote sensing from space. By the end of this decade, Earth remote sensing will almost certainly be conducted by a number of countries and international entities on a competitive and more or less commercial basis. On March 8, the President directed the Administration to seek through competitive means a private commercial operator to continue this country's LANDSAT program. The State Department is participating in the process of implementing this directive.

Foreign Policy Benefits

The terms under which U.S. LANDSAT data have been available have promoted programs for application of land remote sensing data to serve both national and global needs. International participation and cooperation have been intrinsic to the success of these programs. Today,

LANDSAT ground-receiving stations are operating, are being built, or are under active consideration in Argentina, Australia, Brazil, Canada, China, India, Italy, Japan, Romania, Saudi Arabia, South Africa, Sweden, and Thailand. These stations are, or will be, equipped to receive directly LANDSAT data for analysis and distribution. The ground stations, combined with the U.S. Earth Resources Observation Station (EROS) Data Center in Sioux Falls, South Dakota, comprise a readily accessible world data network. These distribution facilities make LANDSAT data available to the public worldwide.

LANDSAT has generated a number of foreign policy benefits.

First, the U.S. gains access to land observation data from parts of the world which would not be possible with ground stations located only in the United States. This enhances ongoing U.S. ground truth measurement campaigns. It assists our scientists in continuing study efforts. It also improves our technological edge by helping U.S. scientists and engineers develop new and more extensive applications for remote sensing and specific remote sensing instrumentation.

Second, through LANDSAT, we provide land observation data to users worldwide, much to our advantage. With U.S. assistance LANDSAT data are used in the developing world for estimating crop acreage; monitoring timber and range lands; deserts and water resources; mineral and oil exploration; land use planning; disaster assessment; and environmental protection. The international network the United States has spawned is demonstrable proof that we can help developing nations use space technology for practical applications.

Third, foreign participation in the LANDSAT program encourages foreign governments and scientists to use and

SCIENCE & TECHNOLOGY

rely on the U.S. system for both practical and scientific applications. Thus, politically, technologically, and economically, LANDSAT brings countries closer to the United States.

Foreign Policy Implications Relating to Commercialization

We believe transfer of LANDSAT to the private sector for commercial operation could improve the program, and, in turn, enhance these foreign policy benefits. We believe commercialization could attract increased foreign use through market development and, perhaps, through more flexible pricing policies. It will further U.S. technical innovations, expand U.S. civil space activity and presence, and provide greater distribution. Most important, commercialization may be the most effective way to assure continuity of high technology data through applied economies and innovative market development.

Foreign policy implications relating to commercialization are basically twofold. First, we must be sure that commercialization will be implemented in a manner consistent with U.S. international obligations. Second, we also want the Department of State to ensure that the foreign policy benefits we have derived from LANDSAT will not be eroded.

Our main international obligations are embodied in three international agreements.

- The UN Outer Space Treaty, which establishes that all States parties to this treaty shall be responsible for all activities of their nationals in outer space, whether those nationals are government agencies or nongovernmental entities such as a private commercial space operator;

- The Convention on International Liability for Damage Caused by Space Objects which stipulates the acceptance of its states parties of liability for damages caused by objects launched from their soil by their nationals; and

- The Convention on Registration of Objects Launched into Outer Space, which sets forth the responsibility of states parties to register all objects intended to be launched with the United Nations.

To ensure continuing adherence to our international obligations, the U.S. Government, through the Department of State, must have adequate authority and opportunity for supervision of the compliance by private owners or operators

of space systems, subject to U.S. jurisdiction, with overall U.S. international treaty obligations and general outer space policies; and the relationships of private owners or operators of space systems, subject to U.S. jurisdiction, with foreign governments, foreign agencies, international bodies, and foreign business entities.

With these safeguards, it is our opinion that private ownership of the LANDSAT system would benefit our foreign policy interests. The continuation of a U.S. LANDSAT system and program will be assured, at least, for the lifetime of an initial contract between the government and a private owner or operator. Earth remote sensing data continuity from a single system, which has been a frequently voiced objective of many interested individuals and entities both in the private business sector and elsewhere, will be promoted.

In short, the President's decision to transfer the LANDSAT system and program to the private sector presents no inherent obstacles for the conduct of foreign affairs.

We know that the international community is watching our early efforts toward commercialization closely. We received limited foreign reaction, through various informal contacts, shortly after the President's announcement on March 8, 1983. Early informal responses were not extensive and focused primarily on access to METSAT [meteorological satellite] data. We have since kept key governments informed of further developments in the commercialization effort and await reports on foreign reactions from our embassies abroad. We welcome, as well, information which may have been obtained by the Government Accounting Office (GAO) during the recent discussions between GAO staff and selected foreign governments. Through our full-time participation on the Source Evaluation Board and through controls to be set forth in the request for proposals, we will be able to address effectively any potential adverse effects upon our foreign relations.

Data Availability

Let me now speak briefly on concerns relating to data availability. We will encourage the private operator to make data available on an open and non-discriminatory basis. More specifically, consultations with government agencies, including the Department of State, would be required if a private owner

wished to pursue data policies other than those which the U.S. Government now pursues. We believe that commercial LANDSAT activities must be permitted an element of flexibility. I say this because the international climate for Earth remote sensing from space may well change by the end of this decade. Accordingly, the United States should not place a prospective U.S. operator of a LANDSAT system at an immediate competitive disadvantage with foreign operators in an international market.

It is anticipated that in little more than a year (January 1985) France will launch the first of several contemplated SPOT [Système Purbatoire d'observation de la Terre] Earth remote sensing satellites. SPOT is a technologically sophisticated and advanced Earth remote sensing satellite system. The French have advertised SPOT widely and vigorously throughout the world. They have not clearly announced as yet a firm data distribution policy and practice.

Japan expects to launch civil Earth remote sensing satellites in 1986 or 1987 and in 1990 which are expected to utilize advanced technologies. Although their first satellite will possess some land remote sensing capabilities, it will be devoted largely to ocean sensing, while their second satellite will be devoted primarily to land remote sensing. Japan's Ministry of Industry and Trade and the Japanese Space Agency share responsibility for development of these satellites.

U.S. Policy

In view of future uncertainties as to how civil remote sensing from space will be conducted by a variety of international operators, the Department of State has concluded, following consultations with other responsible agencies, that the best policy to pursue at this time—with respect to practices demanded of a prospective private LANDSAT commercial operator—should be one of common sense flexibility. Our policy is to encourage a private operator to maintain LANDSAT data processing and provision on an open, nondiscriminatory basis. We believe it unwise to prematurely burden a potential operator with prior constraints at the outset that may place him at a competitive disadvantage vis-a-vis his international commercial rivals. At the same time, a private operator should not be permitted to change his data processing and

distribution policies in ways that would harm or jeopardize fundamental U.S. foreign policy interests and obligations.

A future in which international territories may well be remotely sensed by the systems of three or four or perhaps even more national entities or international entities remains a real possibility though sometimes difficult to envision. We all know how difficult it is to predict the course of international affairs 5 or 10 years in the future. Given budgetary and programmatic restraints, we firmly believe that commercialization of this country's LANDSAT capabilities under prudent but common sense supervisory constraints will best satisfy the national interest in coming years in the important area of satellite Earth remote sensing.

¹The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Grenada: Collective Action by the Caribbean Peace Force

Following are statements by President Reagan, Secretary Shultz, Ambassador to the United Nations Jeane J. Kirkpatrick, Ambassador to the Organization of American States J. William Middendorf II, Administrator of the Agency for International Development M. Peter McPherson, and Deputy Secretary Kenneth W. Dam, as well as White House and Organization of Eastern Caribbean States statements and the President's letter to the Congress.

PRESIDENT'S REMARKS, OCT. 25, 1983¹

On Sunday, October 23d, the United States received an urgent, formal request from the five member nations of the Organization of Eastern Caribbean States (OECS) to assist in a joint effort to restore order and democracy on the island of Grenada. We acceded to the request to become part of a multinational effort with contingents from Antigua and Barbuda, Barbados, Dominica, Jamaica, St. Lucia, St. Vincent and the Grenadines and the United States. I might add that two of those—Barbados and Jamaica—are not members of the organization but were first approached, as we later were, by the OECS and asked to join in that undertaking. And then all of them joined unanimously in asking us to participate.

Early this morning, forces from six Caribbean democracies and the United States began a landing or landings on the island of Grenada in the eastern Caribbean.

We have taken this decisive action for three reasons. First, and of overriding importance, to protect innocent lives, including up to a thousand Americans, whose personal safety is, of course, my paramount concern. Second, to forestall further chaos. And third, to assist in the restoration of conditions of law and order and of governmental institutions to the island of Grenada, where a brutal group of leftist thugs violently seized power, killing the Prime Minister, three Cabinet members, two labor leaders, and other civilians, including children.

Let there be no misunderstanding. This collective action has been forced on us by events that have no precedent in

the eastern Caribbean and no place in any civilized society.

American lives are at stake. We've been following the situation as closely as possible. Between 800 and 1,000 Americans, including many medical students and senior citizens, make up the largest single group of foreign residents in Grenada.

From the start, we have consciously sought to calm fears. We were determined not to make an already bad situation worse and increase the risks our citizens faced. But when I received reports that a large number of our citizens were seeking to escape the island, thereby exposing themselves to great danger, and after receiving a formal request for help, a unanimous request from our neighboring states, I concluded the United States had no choice but to act strongly and decisively.

Let me repeat, the U.S. objectives are clear: to protect our own citizens, to facilitate the evacuation of those who want to leave, and to help in the restoration of democratic institutions in Grenada.

I understand that several Caribbean states are asking that the Organization of American States consider the situation in Grenada. Our diplomatic efforts will be in close cooperation with the Organization of Eastern Caribbean States and the other countries participating in this multinational effort.

OECS STATEMENT, OCT. 25, 1983

The member governments of the Organization of Eastern Caribbean States (Antigua and Barbuda, Dominica, St. Christopher-Nevis, St. Lucia, St. Vincent and the Grenadines, and Montserrat) met at Bridgetown, Barbados, on Friday 21st October 1983 to consider and evaluate the situation in Grenada arising out of the overthrow of the Prime Minister, Maurice Bishop, and the subsequent killing of the Prime Minister together with some of his Cabinet colleagues and a number of other citizens.

The member states were deeply concerned that this situation would continue to worsen, that there would be further loss of life, personal injury, and a general deterioration of public order as

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(White House photo by Pete Souza)

the military group in control attempted to secure its position.

Member governments considered that the subsequent imposition of a draconian 96-hour curfew by the military group in control was intended to allow them to further suppress the population of Grenada which had shown by numerous demonstrations their hostility to this group.

Member governments have also been greatly concerned that the extensive military buildup in Grenada over the last few years had created a situation of disproportionate military strength between Grenada and other OECS countries. This military might in the hands of the present group has posed a serious threat to the security of the OECS countries and other neighboring states.

Member governments considered it of the utmost urgency that immediate steps should be taken to remove this threat.

Under the provisions of Article 8 of the treaty establishing the OECS concerning defense and security in the subregion, member governments of the organization decided to take appropriate action.

Bearing in mind the relative lack of military resources in the possession of the other OECS countries, the member governments have sought assistance for this purpose from friendly countries within the region and subsequently from outside. Three governments have responded to the OECS member governments' requests to form a multinational force for the purpose of undertaking a

Prime Minister Eugenia Charles of Dominica (and chairman of the OECS) briefs President Reagan and members of the Cabinet on October 25 on the Caribbean situation. Left to right are J.J. Simmons II, Deputy Secretary of the Interior; Prime Minister Charles; James Jenkins, Deputy Counsellor to the President; Langhorne A. Motley, Assistant Secretary for Inter-American Affairs; Secretary Shultz; and the President.

preemptive defensive strike in order to remove this dangerous threat to peace and security to their subregion and to establish a situation of normalcy in Grenada. These governments are Barbados, Jamaica, and the United States of America. Barbados and Jamaica are members of CARICOM [Caribbean Community], and Barbados is linked to some of the OECS member governments in a subregional security agreement.

It is the intention of the member governments of the OECS that once the threat has been removed, they will invite the Governor General of Grenada to assume executive authority of the country under the provisions of the Grenada Constitution of 1973 and to appoint a broad-based interim government to administer the country pending the holding of general elections.

It has been agreed that while these arrangements are being put in place, the presence of former Prime Minister Eric Gairy and other undesirable political elements would complicate the situation and that they would, therefore, not be welcome in Grenada.

It is further intended that arrangements should be made to establish effective police and peacekeeping forces in order to restore and maintain law and order in the country.

After normalcy has been restored, non-Caribbean forces will be invited to withdraw from Grenada.

Member governments of the OECS wish to solicit the diplomatic support of all friendly countries for this initiative.

LETTER TO THE CONGRESS, OCT. 25, 1983²

On October 12, a violent series of events in Grenada was set in motion, which led to the murder of Prime Minister Maurice Bishop and a number of his Cabinet colleagues, as well as the death of a number of civilians. Over 40 killings were reported. There was no government ensuring the protection of life and property and restoring law and order. The only indication of authority was an announcement that a barbaric shoot-to-kill curfew was in effect. Under these circumstances, we were necessarily concerned about the safety of innocent lives on the island, including those of up to 1,000 United States citizens.

The Organization of Eastern Caribbean States (OECS) became seriously concerned by the deteriorating conditions in the member State of Grenada. The other members of the OECS are Antigua, Dominica, Montserrat, St. Kitts-Nevis, Saint Lucia, and Saint Vincent and the Grenadines. We were formally advised that the Authority of Heads of Government of Member States of OECS, acting pursuant to the Treaty establishing the OECS, met in emergency session on October 21. The meeting took note of the anarchic

conditions and the serious violations of human rights and bloodshed that had occurred, and the consequent unprecedented threat to the peace and security of the region created by the vacuum of authority in Grenada. The OECS determined to take immediate, necessary steps to restore order in Grenada so as to protect against further loss of life, pending the restoration of effective governmental institutions. To this end, the OECS formed a collective security force comprising elements from member States to restore order in Grenada and requested the immediate cooperation of a number of friendly countries, including the governments of Barbados, Jamaica and the United States, in these efforts. In response to this call for assistance and in view of the overriding importance of protecting the lives of the United States citizens in Grenada, I have authorized the Armed Forces of the United States to participate along with these other nations in this collective security force.

In accordance with my desire that the Congress be informed on this matter, and consistent with the War Powers Resolution, I am providing this report on this deployment of the United States Armed Forces.

Today at about 5:00 AM Eastern Daylight Time, approximately 1,900 United States Army and United States Marine Corps personnel began landing in Grenada. They were supported by elements of the United States Navy and the United States Air Force. Member States of the OECS along with Jamaica and Barbados are providing approximately 300 personnel. This deployment of United States Armed Forces is being undertaken pursuant to my constitutional authority with respect to the conduct of foreign relations and as Commander-in-Chief of the United States Armed Forces.

Although it is not possible at this time to predict the duration of the temporary presence of United States Armed Forces in Grenada, our objectives in providing this support are clear. They are to join the OECS collective security forces in assisting the restoration of conditions of law and order and of governmental institutions to the island of Grenada, and to facilitate the protection and evacuation of United States citizens. Our forces will remain only so long as their presence is required.

Sincerely,

RONALD REAGAN

SECRETARY SHULTZ'S NEWS CONFERENCE, OCT. 25, 1983³

I'd like, first, to cover four points:

First, the reasons for the President's decision to commit U.S. forces in Grenada;

Second, our objectives as we undertake this effort;

Third, the chain of events as they led up to the President's decision in the immediate days preceding it; and

Fourth, the situation on the ground, very generally, as it was as of about half an hour ago.

There are two basic reasons that determined the President's decision.

First was his concern for the welfare of American citizens living on Grenada. There are roughly 1,000 of them. And what we saw was an atmosphere of violent uncertainty: of the Prime Minister of the country first put under house arrest, freed from house arrest by a large number of demonstrators estimated in the thousands, with that demonstration in one way or another becoming attacked, and with the Prime Minister and some of his Cabinet members being executed. We see no responsible government in the country. We see arrests of leading figures. We see a shoot-on-sight curfew in effect. Reports—their validity uncertain—but reports are rife about arrests, deaths, and so forth and certainly random sporadic firing that one could hear.

All of these things are part of an atmosphere of violent uncertainty that certainly caused anxiety among U.S. citizens and caused the President to be very concerned about their safety and welfare. He felt that it is better under the circumstances to act before they might be hurt or be hostage than to take any chance, given the great uncertainty clearly present in the situation. So that is the first reason why the President acted as he did.

Second, the President received an urgent request from the countries closest to the area—the Organization of Eastern Caribbean States—which of course, followed these developments very closely over a long period of time, and intensively in recent days, and which determined for themselves that there were developments of grave concern to their safety and peace taking place. They brought in Jamaica and Barbados and, along with those two countries, made a request to the United States to help them in their desire to ensure peace and stability in their area. So their analysis of the situation, in terms of the atmosphere of violent uncertainty, paralleled our own.

And so in response to the request of this organization and in line with a request that they made pursuant to Article 8 of their treaty, bringing the states together, the President decided to respond to the request and to look after the welfare of American citizens in this atmosphere of uncertainty and violence.

Insofar as our objectives are concerned, there are basically two, and very simple:

- To secure the safety of American citizens—and, for that matter, the citizens of other countries—and to assure that any who wish to leave may do so and

- To help the OECS states establish law and order in the country and establish again governmental institutions responsive to the will of the people of Grenada.

Third, let me just review very briefly the chain of events here.

I think you undoubtedly know that on October 13, Prime Minister Bishop was placed under arrest and subsequently on October 19 the demonstration and the freeing of him from house arrest took place, and then his death—our information is by execution—taking place on that date.

On Thursday, October 20, as information about these developments was coming in to us here in the United States, of course, the President was receiving them, and he had the Vice President chair a meeting in the Situation Room reviewing these events. That meeting took place in the late afternoon. I was not present at the beginning of the meeting since I was testifying before a Senate committee in closed-door session, but I came in with Ambassador Motley [Assistant Secretary for Inter-American Affairs Langhorne A. Motley] about halfway through the meeting. Essentially it was a meeting to review the grave turn of events and to consider their implications for the American citizens on the island.

Subsequent to that meeting and on the recommendation of that group, the President decided to divert some naval ships in the area, among them the task force that was carrying the group that would be the normal routine replacement of the Marines who are in Lebanon, and diverted them in the direction of Grenada. Other ships were also included. That was essentially precautionary so that if the situation became worse, we would have a capability nearby.

There were various discussions during the course of Friday, but on Saturday, October 22, a message came in from Bridgetown in Barbados. It reached me at 2:45 a.m. in Augusta, and I discussed it with Bud McFarlane [Robert C. McFarlane, Assistant to the President for National Security Affairs]. About a half or three-quarters of an hour later, the Vice President convened the key national security advisers in Washington. In their discussion, we

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joined with him through a secure conference call to again evaluate the situation and the information in the cable.

The information in the cable basically gave the OECS states' analysis of the situation and stated their very strong feeling that they must do something about it on Grenada and their feeling that they were not able to do it on their own, and so they asked if we would help them. I think you should note that by this time they had not only gathered themselves together, but they had brought Barbados and Jamaica in their counsels.

We shortly got the President up and we went through this material with him and went over the views of various people who were taking part in the Vice President's meeting. The President talked to the Vice President, talked to the Secretary of Defense, heard their views, gave his own reactions.

The meeting chaired by the Vice President reconvened at 9:00 on Saturday morning. The President spoke to them by telephone. I might say we considered whether or not to return, and we felt that if we were going to respond to this request, then the element of secrecy should be maintained; and if there was a sudden change in the President's plans, it would obviously call great attention to that possibility, so we stayed there.

On Sunday, October 23, of course, that night we received the tragic news from Lebanon of the attack on the Marines, and that stunning news caused the President to decide in the early morning hours that we should return right away to Washington, and we did so. During the day on Sunday, we met first from 9:00 to 11:00, and then again later in the afternoon from 4:00 to 7:00.

However, tracking back to the decision on October 22, it was felt that we should explore carefully with the leaders of the OECS and Jamaica and Barbados their information, their analysis, and their intentions. So, Ambassador McNeil and Major General Crist were sent to Bridgetown. They left early Sunday. They met in the afternoon and evening in Barbados with leaders there, and they were on the telephone to us through this period, giving us more information about the evaluation being made in the area and the options that were before us.

It was in the meeting on Sunday—that last meeting on Sunday—that the President made what I think one would call a tentative decision that we should respond to this urgent request and that

particularly so since their analysis and ours were of a very uncertain and violent situation threatening to our citizens.

On Monday, October 24, of course, the plans were being made, the forces organized, and so forth. The President met in the afternoon from roughly 2:15 to 3:30—something like that—with the Secretary of Defense and the Joint Chiefs and at the conclusion of that meeting made a sort of semifinal military decision, he having had the advice of all his advisers the previous day that on general grounds we should proceed. I think the directive of the President to proceed was signed at about 6 p.m. yesterday. That's kind of the chronology.

Finally, where do we stand on the ground? Both airports at Pearls and Port Salines have been secured. The elements of the Caribbean task force, that is, of the countries from the Caribbean, are at Port Salines. They landed approximately 10:45 this morning. I think there are about 150 there now. The southern campus at the medical college near Port Salines Airport has been secured. There are no reports of injuries to any American civilians.

There are pockets of resistance in the St. George's area. I don't want to identify further precisely where, because this is an ongoing operation, and the military people need to be able to conduct their operation secure from any such disclosure. So that is the situation on the ground very generally at this point.

Q. The Charter of the Organization of American States, of which the United States is a member, provides that, "No state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state . . . [This] prohibits not only armed force but also any other form of interference . . . Aren't we in violation of that charter? And if not, why not?

A. The Organization of Eastern Caribbean States provides for their collective security. Those states are not members of the Rio treaty, under which the clause that you've mentioned would operate. So they have asserted themselves under their treaty and asked us to help them.

As they view it, and perhaps you heard Prime Minister Charles [of Dominica] today express her views, most eloquently, the developments on Grenada pose definite security and peace

risks to them, and that is the basis for their desire to act. Some are members of the OAS, but they are not members of the Rio treaty. Their equivalent of the Rio treaty is their own treaty.

Q. Yesterday, in testifying to the Senate, you said, "At stake is the right of a small country . . . to decide for itself how to achieve its sovereign objectives free of outside pressure, threat, or blackmail." You were talking about Lebanon there. But why should not that same standard apply to Grenada?

A. It does, and in Grenada what you have at the present time is a set of events like this. In 1979, a constitutional government being in power; it was displaced by a bloodless coup, and Prime Minister Bishop has been in charge since that time.

In the events that I described to you, Prime Minister Bishop was placed under house arrest and then executed. For all intents and purposes, there is no semblance of a genuine government present. There is a vacuum of governmental responsibility—the only genuine evidence of governmental authority being a shoot-on-sight curfew. So in the light of that and in the light of the affinity that the other states feel together, they felt that they had to protect their peace and their security by taking this action and that doing so would help reconstitute legitimate government in Grenada.

Q. Do you believe that the Cubans and the Soviets were in any way responsible for the execution of Prime Minister Bishop? And to what extent was the action taken, at least in general terms, as a signal to Havana and Moscow that the United States was prepared to act to protect its own security?

A. I've tried to give very carefully what the considerations of the President were, and those are the reasons and the considerations for this action. This was not taken as a signal about anything else. It was taken in the light of the threat to the lives and welfare of American citizens and in the light of a request from the local states which are close to the situation and whose analysis of the situation was parallel to, and in fact went a lot further than, our own.

Q. About the first part of the question, sir, do you have any reason to believe that the Soviets or the Cubans were in any way responsible for the overthrow of the Bishop government?

A. We don't have any direct information on that point. However, the OECS states feel that such is the case. But that is not the basis of this action on our part.

Q. You have said that one of our two objectives there was to help the OECS states establish law and order and governmental institutions. Does that mean that our troops will remain in Grenada until that is done? And what is your time estimate for how long that will take?

A. Our troops will leave as soon as they possibly can. The forces of the other countries in the Caribbean which have initiated this action will be in the lead and working with Grenadians in trying to establish law and order and some form of provisional government. It will be their decision to make in seeing how this situation unfolds, and we will leave as soon as we possibly can, leaving the island to those who are closest to it.

Q. Does that mean that our troops will stay there until they are satisfied that law and order has been established—they, the other countries?

A. I think they will be leaving very, very promptly, and we will have to decide for ourselves what the proper conditions are. We will work with the people from the other governments involved, and they will have a leading role in making these decisions.

I might say that the situation is one in which, in many of these countries, there really is no armed force at all. Prime Minister Charles expressed herself—I might say to the amusement, I guess, of Secretary Weinberger—she said, "When I took office, I decided the worst thing in the world you could have is an army, so I abolished it. I saved myself a lot of money, and I saved conflict between the military and the police force on the island."

So that's what they have. And their belief is that the way to have law and order is not to have military establishment but just a police force. And I imagine that they will work somewhat along those lines, although Grenada has a population of 100,000, so you have to take measures.

Q. The United States has now invaded this island with help from some other area democracies in the Caribbean to save and protect the lives of a thousand people, none of whom so far as we know, I guess, have been injured or killed. Why did it take the deaths of 200 Marines in Beirut to

send Commander Kelley [General Paul X. Kelley, Commandant of the U.S. Marine Corps] there to start thinking about additional preventive, precautionary measures to save those lives?

A. Of course, we have been concerned about the safety of our Marines all along as they have been there. It didn't take this terrible tragedy to create that concern. I think it is certainly the right thing to do, to have the Commandant of the Marine Corps go promptly to the area and evaluate the security situation in a fresh way. And I think, also, that when you are establishing a presence in an operating, commercial, international airport, naturally, you make decisions that involve some sort of balance between security risks on the one hand and what it takes for an airport to operate on the other.

I think that, certainly, in the light of the terrible tragedy, that balance needs to be shifted, and the emphasis on security will have to be heightened very significantly. But, of course, we look for Gen. Kelley's report.

I think there is a certain pertinence to your question, because, it seems to me, and the President had to weigh this, with the violent and uncertain atmosphere that certainly was present on Grenada, the question is: Should he act to prevent Americans from being hurt or taken hostage? I think that if he waited and they were taken hostage, or many were killed, then you would be asking me that same question: "Why didn't you, in the light of this clear violent situation, take some action to protect American citizens there?"

I don't want to get in the position of second-guessing myself, or the President, but rather to say, one has to weigh these considerations and be willing to take a decision in the light of all of the circumstances. And that is what the President did.

Q. As you know, Grenada is a former British colony, and the Governor General there was appointed by the British, the person you spoke of a while ago. Mrs. Thatcher has said in Parliament over there that their government advised against this and that the British did not wish to go along with it. I would like to ask you two things flowing from that. First of all, does the fact that the British do not go along with it cause some cloud over the Governor General, the British-appointed person now being the one we look to? And, secondly, in view of their experience on the island, why did the United States disregard their recommendation?

A. We responded to the urgent request of the states in the area, which are now independent states. They're no longer British colonies. Although obviously the British have had great experience there, so have we. The Caribbean is in our neighborhood, too, so we have a very legitimate affinity for those people.

We responded to their request, just as Barbados and Jamaica did. British or other states that may or may not have been asked—I don't have the list of who the OECS asked to help them. But each state has to take its own decision, and the President took ours.

As far as the establishment of authority on the island is concerned, we believe that the Governor General is the logical person, given the fact that there is a vacuum of government there, and we expect that it will occur that way. We are, of course, always impressed with the views of the British Government and Mrs. Thatcher, but that doesn't mean that we always have to agree with them. Of course, we also have to make decisions in the light of the security situation of our citizens as we see it.

Q. Can you give us a report on casualties, including whether there have been Cuban casualties in combat with Americans, and the status of the Cubans and the Soviets on the island?

A. I can't give you an account of casualties. I don't have that information at hand, but it will be made available as soon as we have it. I think probably the appropriate place, since they have it, is at the Pentagon.

As far as the Soviet Union and Cuba are concerned, as the operation got underway, we notified both the Soviet Union and Cuba of the fact of the operation, of our intentions, and of our readiness to look to the safety of their people on the island. It's my understanding that the Soviets that are there have been identified; they are safe, and their safety is being looked to. On the other hand, in the case of the Cubans, there are many more there. I think there are some 600 Cubans there—presumably, construction workers. But it is the case that some number—I don't know how many, and perhaps the military doesn't know at this point how many—are resisting and firing at our forces, and, of course, that would cause us to fire back.

Q. Who is in charge of Grenada tonight? I mean, at this minute? Where is Mr. Austin? Are we running the country, or are they still running

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the country? And, secondly, even though your intention may not have been to send a message, do you think anybody in the Caribbean or anywhere else in the world gets a message from this action?

A. I don't know. I can't identify the whereabouts of Mr. Austin who was not genuinely in charge insofar as we could see, in any case.

As far as who is running the country is concerned, the country has been in a state since the house arrest of Prime Minister Bishop, essentially, of a kind of vacuum of governmental authority. And that still exists although as the forces of the Caribbean task force are able to develop their contacts there, presumably a governmental structure will emerge.

As far as your philosophic question is concerned, of course, those who want to receive a message will have to receive it. That was not the purpose of this operation. The purpose was as I have stated it.

Q. Traditionally, in this part of the world, there's been a great concern about Yankee force, Yankee imperialism, Yankee aggression, et cetera. How do you intend to counter the impression that the United States is once again using its overwhelming military superiority in this part of the world to achieve a specific, political objective?

A. I think the principal point here is that the concerns and the requests for help came from the states in the region, and they have put their own forces into this picture. The fact that their forces are small in comparison with ours is only a reflection of the fact that they don't invest very much in the way of resources into military capability; and, of course, they don't have much to invest in the first place. It's in the nature of these countries that they're essentially peaceful. But they have put what they can of their own forces forward, and they have taken the lead in suggesting this, and they are there now in the early stages of this effort. And as law and order returns, they will basically be in charge, not us. So it is no effort on our part to gain control of any other country.

Q. The British, who have been critical of this action, took an independent action against the Falklands last year when they thought it was necessary. If they cannot accept the American justification, how do you think, or how many countries in Latin American do you feel will accept the American explanation now?

A. Certainly, Jamaica, Barbados, and the Caribbean states involved. They have asked us very explicitly, not only in the first instances I brought out but on further probing from Ambassador McNeil, to really be sure that they had analyzed the situation carefully and they were making a thoughtful and thoroughly thought-through request, which they were and are.

I think that's the thing you have to rest on, and it seems to me people ought to recognize where this request came from; and, also, the fact that we will leave promptly. We have no intention of staying there, and the government that will be produced by the people of Grenada is entirely up to them as far as we're concerned.

Q. You said that there were contacts with the Cubans and with the Soviet Union to inform them of what we were about to do, or had just done. Have there been any contacts at any level since then, and what have you heard from the Soviet Union about this?

A. I don't want to go into detail about diplomatic exchanges. But, of course, in general, their response has been that they expect us to look to the safety of their citizens. And certainly, as one might expect, they object strenuously to this action.

AMBASSADOR MIDDENDORF'S STATEMENT, OAS, PERMANENT COUNCIL, OCT. 26, 1983

The U.S. delegation would like to thank the distinguished Prime Minister from Dominica for her initiative in requesting a special meeting of the Permanent Council. My delegation strongly supports her statement about the events leading to the collective security effort in Grenada. Her remarks clearly detail the reasons why it was imperative that this action be taken.

As our colleague from St. Lucia pointed out, the decision to undertake this initiative was made jointly by the Organization of Eastern Caribbean States, acting pursuant to the treaty establishing that organization, at a meeting on October 21. The appeal to other countries, including the United States, for assistance was made the same day. Barbados and Jamaica, to which a similar request for assistance was made, also responded favorably.

Pursuant to this decision, a collective security force, made up of contingents from four member states of the OECS—Antigua and Barbuda, Dominica, St. Lucia, and St. Vincent and the Grenadines, supplemented by units from Barbados, Jamaica, and the United States—disembarked on Grenada yesterday at dawn. Fortunately there has been little loss of life, and internal order is being restored to the island. To correct a statement made here earlier today, I wish to state that about 140 U.S. citizens, many of whom had been studying, were flown to the United States today. U.S. consular officers are now on the island to facilitate the orderly evacuation of additional citizens who wish to leave.

Let me review the extraordinary events in Grenada leading to this unprecedented situation. The slide toward anarchy in Grenada appears to have begun the evening of October 12 with an attempt by Deputy Prime Minister Coard to force out Prime Minister Maurice Bishop. Bishop, who had seized power in 1979 and established close relations with Cuba and the Soviet Union, was reportedly thought to be too "moderate" by the Coard faction.

The power struggle became increasingly violent. On October 19, Prime Minister Bishop, several Cabinet members, and an undetermined number of political and civic leaders were killed under still unexplained circumstances. At least 18 deaths have been confirmed and many more reported, some of them when troops opened fire on peaceful demonstrators.

After Bishop's death—and we recall his visit here to speak at a protocolary session earlier this year—the People's Revolutionary Army (PRA) announced the dissolution of the existing government and the formation of a 16-member Revolutionary Military Council (RMC), of which PRA commander Gen. Hudson Austin was the nominal head.

I say nominal because it was not at all clear that Austin or any coherent group was, in fact, in charge. There were numerous reports of continued jockeying for power, and the potential for further violence was obvious, especially with the imposition of a 24-hour shoot-on-sight curfew.

I think it is this quality of menacing uncertainty—the violence, the disintegration of civilized governmental authority, the creation of a dynamic that held out the distinct prospect of further violence—that most alarmed the eastern Caribbean states and led to their Oc-

tober 21 decision to assist the people of Grenada and request our help in doing so.

My government shared these concerns of the OECS countries but also had a particularly humanitarian concern. The deteriorating conditions on the island posed a threat to the continued safety of U.S. citizens there, who number 800-1,000, largely consisting of medical school students and faculty. There is substantial precedent for military action to ensure the safety of foreign nationals in such conditions of disorder. While there have been no specific threats against U.S. citizens, a number had sought to flee, even in the absence of organized evacuation efforts, at great risk. The military council on the island had promised to reopen the airport on October 24 but did not do so, thus heightening concern over the continued welfare of these citizens. The lack of respect for human rights and the degenerating conditions, of course, also posed a threat to other foreign nationals, and, indeed, to the people of Grenada.

After carefully considering these facts, and all aspects of the OECS request, and concluding that the peace and security of the eastern Caribbean was threatened and that our assistance was necessary, the President decided to cooperate with the regional initiative.

The objectives of the collective security force organized by the OECS are clear: to restore law and order and help the people of Grenada to restore functioning institutions of government and to facilitate the departure of those who wish to leave. The presence of the collective security force will be continued for only so long as is necessary to ensure these objectives.

This action is a reasonable and proportionate reaction to the deterioration of authority in Grenada and the threat this poses to the peace and security of the eastern Caribbean. It is consistent with the purposes and principles of the Charters of the United Nations and the Organization of American States, since it aims at the restoration of conditions of law and order fundamental to the enjoyment of basic human rights, so clearly in jeopardy in Grenada.

Regional collective security measures of the kind taken here are expressly contemplated by Article 52 of the UN Charter. Paragraph 1 of that article provides for "regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are



(U.S. Department of Defense photo)

Troops of the Caribbean peace force at the Point Salines Airfield, Grenada, on October 25.

appropriate for regional action, provided that such arrangements or agencies . . . are consistent with the Purposes and Principles of the United Nations." The actions and objectives of the collective security force, in the circumstances described above, are consistent with these purposes and principles.

Articles 22 and 28 of the OAS Charter allow member states to take collective measures to maintain peace and security pursuant to certain collective security agreements. Article 22 of the OAS Charter expressly provides that measures taken pursuant to such agreements are not violations of the provisions of Articles 18 and 20 prohibiting intervention or the use of force.

The treaty of the Organization of Eastern Caribbean States is a regional agreement which concerns itself in part with matters of collective security. The OECS countries are not party to the Rio treaty; the OECS treaty serves as their regional security arrangement. The OECS action was pursuant to Article 8 of the OECS treaty, which authorizes the OECS to coordinate "the efforts of

Member States for collective defence. . . ." The OECS decision was, thus, a measure "adopted for the maintenance of peace and security in accordance with existing treaties," as contemplated by Article 19 of the OAS Charter.

In addition, the OECS members were confronted by a "situation that might endanger the peace of America." In response the OECS members took action consistent with Article 28's provision for "collective self-defense" in accordance with "measures and procedures established in the special treaties on the subject."

In conclusion I would like to point to a disturbing lesson we can all draw from the tragic events in Grenada. We have seen how Cuban construction workers on that island suddenly transformed themselves into soldiers to resist the collective action forces. Plowshares were quickly transformed into swords. This development must be a source of concern to all states and cast doubt on the *bona fides* of Cuban "civilian" advisers and contingents elsewhere.

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AMBASSADOR KIRKPATRICK'S STATEMENT, UN SECURITY COUNCIL, OCT. 27, 1983⁴

Some of the speakers before this Council in the past few days have attempted to present the events of the past days as a classical invasion of a small country by an imperial power—a simple case of intervention in the internal affairs of others whose moral and legal character is easily discernible. After all, the UN Charter forbids the use of force to settle a dispute, and force has been used by the task force. The charter forbids intervention in the internal affairs of states, and the task force is intervening in the affairs of Grenada. The charter requires respect for the independence, sovereignty, and territorial integrity of states, and when foreign forces land on an island state, it might not at first glance appear unreasonable to contend that the independence, sovereignty, and territorial integrity of the state are not being fully respected.

That is the purport, as I understand it, of the draft resolution now circulating in this Council; that is the reasoning urged on the Council by an interesting array of speakers. It is presumably the reasoning that may lead some members of this Council, at least some of those members, to support the draft resolution.

It is a particular perspective. The perspective I have described begins with the landing of the task force in Grenada the day before yesterday; treats the prohibition against the use of force as an absolute; and the injunction against intervention in the internal affairs of other states as the only obligation of states under the charter. The events of the past days pose no such morally or legally simple questions as has been suggested by that interesting array of speakers. The prohibitions against the use of force in the UN Charter are contextual, not absolute. They provide ample justification for the use of force against force in pursuit of the other values also inscribed in the charter—freedom, democracy, peace. The charter does not require that peoples submit supinely to terror, nor that their neighbors be indifferent to their terrorization.

The events in the Caribbean do not comprise a classical example of a large power invading a small, helpless nation. The impression that there is involved here a violation of the charter which should be straightforwardly condemned by an outraged "world opinion" is not

only a delusion, it is, as well, a snare and will leave those caught within it a bit weaker, a bit more confused, a bit less able to defend themselves—a bit more of what Jean-Francois Revel called in his most recent book, *Comment les Democraties Finissent*, "an obliging victim."

This is another way of saying that although the islands that we are meeting to discuss are small, the issues are as large as any ever discussed here. The use of force is, indeed, central to our deliberations, as are respect for the right of peoples to self-determination and nonintervention in the internal affairs of others. The most fundamental questions of legitimacy, human rights, and self-defense are also present.

The intrusion of force into the public life of Grenada did not begin with the landing of a task force. From 1979 Grenada had been ruled by a government which came to power by coup, overthrowing a corrupt, though elected, predecessor. That government declined to submit to free elections. It succumbed to superior force more than 2 weeks ago when, with the complicity of certain powers, which have in the past 3 days nearly drowned us in crocodile tears over the death of Maurice Bishop and foreign intervention in Grenada's affairs, it first arrested, then murdered Bishop and his ministers. Thus began what can only be called an authentic reign of terror in Grenada. Tragically for them, the people of Grenada had already had large experience with political violence before the arrival of the task force.

The people of Grenada were also sadly accustomed to foreign intervention in their internal affairs. Let us speak frankly about this situation. Maurice Bishop was a man of strong ideological commitments. Those commitments identified him and allied him with Cuba, the Soviet Union, and the member states of that empire which invokes Marxist principles to justify tyranny. Bishop freely offered his island as a base for the projection of Soviet military power in this hemisphere. The familiar pattern of militarization and Cubanization was already far advanced in Grenada. More than three dozen Soviet officials have been detained in just the past 3 days. Truly enormous arsenals of Soviet weapons have been discovered in the last 3 days. The total number of Cuban military personnel in Grenada is still unknown, but it is clear that there were more than 1,000—more than one Cuban for every 100 Grenadians. Even this did not satisfy Prime Minister Bishop's friends. Maurice Bishop was not the vic-

tim of an ordinary power struggle. As Jamaica's Prime Minister Seaga put it:

It became clear as events unfolded that this was . . . a well-planned and orchestrated coup which was carried out with a savagery and brutality without precedent in the English-speaking Caribbean.

On Wednesday, October 19, after having been released by a large crowd of his supporters, Mr. Bishop, his Minister of Education, Miss Jacqueline Creft, his Foreign Minister, Mr. Unison Whiteman, Mr. Norris Bain, Minister of Housing, Mr. Vincent Noel, leader of the Bank and General Workers Union, Mr. Fitzroy Bain, another trade union leader, had been brutally executed by Cuban-trained military officers who had seized power. We also learned subsequently that the People's Revolutionary Army had fired on a crowd of demonstrators which included many women and children and that several of these have not been accounted for and are presumed to have been killed. An eyewitness reports having seen the child attempting to jump to safety having his legs blown off.

Let us be clear in this chamber tonight. Grenada's internal affairs had fallen under the permanent intervention of one neighboring and one remote tyranny. Its people were helpless in the grip of terror.

Imagine, if you will, that here in New York tonight, just after we return home, some gunmen who had already proved that they would kill on a whim announced that anyone leaving his home, anyone appearing on the streets would be shot on sight. Imagine, if you will, that that condition lasted for 4 days and 4 nights, punctuated by the sounds of gunshots. Ask yourself whether friendly forces arriving from some nearby, democratic country to free us would be engaged in a violation of the UN Charter, in an unjustifiable intervention in the U.S. internal affairs, in an unjustified use of force.

Listen to the comments of the Prime Minister of Barbados.

The pros and cons of the actions of the Caribbean governments will be long debated; so will those of President Reagan in coming to our aid. But I think that history will agree with the verdict of public opinion in the eastern Caribbean. There has seldom been in these islands such virtual unanimous support in the media and at political and popular levels for an action so potentially divisive. West Indians have shown that we have a view of our future that is democratic, peace-loving, devoted to constitutional and not arbitrary government. We have shown that we can cut through the sometimes artificial controversies generated by today's media and go right to the heart of things—what is best for our people. The United States and President Reagan have to their eternal credit concurred in our views and have come to the same conclusion as we have.

I know as well as you know that such words may easily be dismissed as cynical. After all, are we not all accustomed to similar justifications when the Soviet Union invades Afghanistan or imposes a new government on the people of Poland or when Vietnam invades and occupies Kampuchea? Why should anyone here suppose that this is not just one more cynical claim when we assert that the task force, of which we are members, is there to restore self-determination to the people of Grenada rather than to deny them self-determination? There is an easy test. The test is what comes after. We in the task force intend, as all of us have now made clear, to leave Grenada just as soon as law is restored and the instrumentalities of self-government—democratic government—have been put in place.

But all governments in our time claim to be democratic. They all say they are going to leave as soon as law is restored. What will there be to support the claim that the new government of Grenada will be any more an authentic expression of the will of the people of Grenada than was the gang of thugs from whom Grenada has just been delivered? Again, the answer is easy. There is a simple test. It will be clear that self-government has been restored to Grenada because freedom and the institutions through which free peoples express themselves will be clearly in evidence—a free press, free trade unions, free elections, representative, responsible government.

It should not be difficult for any people, especially any democratic people, which has ever suffered a reign of terror from either foreign or domestic tyrants to discern the difference between the force that liberates captive people from terror and the force that imposes terror on captive peoples. Neither the intellectual nor the moral nor the legal problems here involved are really very difficult.

Because of the repeated discussions and questions here in this chamber concerning the legal basis of this intervention, I should like to address now, briefly, once again this matter of the legal foundation for U.S. action in Grenada.

It was, indeed, a unique combination of circumstances prevailing in Grenada that led the United States to respond positively to the OECS request that we assist them in their decision to undertake collective action to secure peace and stability in the Caribbean region. Those circumstances included danger to innocent U.S. nationals, the absence of a

minimally responsible government in Grenada, and the danger posed to the OECS by the relatively awesome military might those responsible for the murder of the Bishop government now had at their disposal. The U.S. response, we believe, was fully compatible with relevant international law and practice.

I turn briefly to each of these points. First, the defense of innocent nationals: The U.S. concern for the safety of its nationals was real and compelling and had absolutely nothing to do with any inclination to "gunboat diplomacy." As pointed out by Prime Minister Seaga in his address to Jamaica's Parliament on October 25, "madmen" wiped out the whole government of Grenada, murdered its leading citizens, imposed a 24-hour shoot-on-sight curfew against its own citizenry.

The madmen responsible for the coup in Grenada did not put their captured adversaries on trial; they simply murdered them in cold-blood. In these circumstances, it was fully reasonable for the United States to conclude that these madmen might decide, at any moment, to hold hostage the 1,000 American citizens on that island. American nationals, scattered throughout the island, were denied the right of free exit, as students returning last night testified to repeatedly. The airport was closed, and entry by humanitarian organizations and others concerned with their welfare was prevented.

The United States—having recently been the victim of, as well as the witness to, revolutionary violence in Iran, where, in contravention of all international conventions and the express ruling of the International Court of Justice, U.S. diplomatic personnel were held hostage—could not be expected to sit idly by while the lives of our citizens were again threatened.

Of course, it goes without saying that the United States does not advocate that in normal circumstances concern for the safety of a state's nationals in a foreign country may justify military measures against that country. But normal circumstances presuppose the existence of a government which, regardless of the democratic, nondemocratic, or antidemocratic nature of the system which it pursues, is nevertheless recognized as minimally responsible for not wantonly endangering the lives of its citizens, foreign nationals, and the security of neighboring states in the region. Where, however, terrorists murder the leading citizenry and leadership of their own country, a situation may well arise whereby no new govern-

ment replaces the former order but anarchy prevails. In these circumstances, the general rule of international law permits military action for protecting endangered nationals. Such was the situation in Grenada.

The second point I would like to address briefly is that this was, indeed, a unique situation in which there existed a vacuum of responsible governmental authority. The revulsion shared by the international community over the cold-blooded murder of Mr. Bishop's government was nearly universal in scope. The consequences of the coup, however, were not restricted in Grenada. Though a small island, Grenada, because of its massive build-up of arms and materiel, had become capable of gravely affecting the security of the entire Caribbean region. Those most immediately affected by the situation prevailing in Grenada were, of course, Grenada's neighboring countries, all of which were members of the OECS, the Caribbean regional organization.

Aware that the terrorists were in control of Grenada, it became incumbent upon the states of the OECS to assess the military capability at their disposal and the dangers presented to the security of all the states in the Caribbean region. In assessing this danger, the states of the OECS—most of which have no army at all or armies of less than 200 men—concluded that the military potential of Grenada in the hands of the madmen who engineered the coup had reached threatening proportions. For example, although Jamaica's population exceeds by twenty-fold that of Grenada, Grenada's army—its indigenous forces alone—exceeded by one and one-half times the size of Jamaica's Armed Forces. Moreover, a new airstrip was in the final stages of completion by over 600 armed Cubans. In the words of Jamaica's Prime Minister Seaga:

In the hands of sane men, the airstrip would have offered no threat, but against the background of the insanity of the past 2 weeks, it would be a logical staging area for countries whose interests are similar, which have ambitions for using Grenada as a center for subversion, sabotage, and infiltration within the area and against member states of the Organization of Eastern Caribbean States.

It was in this context that the OECS, viewing with the greatest alarm this combination of brutal men with awesome might, decided to undertake collective action pursuant to its charter. Such action fully comported with relevant provisions of the UN Charter,

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which accord regional organizations the authority to undertake collective action. When asked to assist this effort, the United States, whose own nationals and vital interests were independently affected, joined the effort to restore minimal conditions of law and order in Grenada and eliminate the threat posed to the security of the entire region.

The third legal point I should like to address briefly concerns collective regional action. Dominica, Barbados, Jamaica, and other Caribbean states have already made clear the factors which impelled them to invoke their regional treaty arrangements for collective action. As pointed out by their representatives here, the issue was not revolution. This hemisphere has seen many revolutions, and many members of the OECS, like the United States itself, were born of revolution. Each of us in this hemisphere celebrates an independence day.

Nor was it an issue of the type of government Grenada possessed. While the government of Maurice Bishop, which had never secured a mandate from its electorate, was an anomaly and an unwelcome anomaly in the democratic Caribbean Sea, no thought was ever given by the OECS to influencing a change of that government. No effort, may I add, was ever undertaken by the United States to in any way affect the composition or character of that government.

Rather the OECS was spurred to action because, as a result of the murder of Mr. Bishop and almost his entire Cabinet, the military power which Grenada has amassed with Cuban and Soviet backing had fallen into the hands of individuals who could reasonably be expected to wield that awesome power against its neighbors. That the coup leaders had no arguable claim to being the responsible government was, indeed, made clear by their own declarations, the failure of other states to recognize them as a legitimate government, and by the fact that the Governor General of Grenada, the sole remaining symbol of governmental authority on the island, invited OECS action.

In the context of these very particular, very unusual, perhaps unique, circumstances, the United States decided to accede to the request of the OECS for aiding its collective efforts aimed at securing peace and stability in the Caribbean region.

Let me close by once again quoting Prime Minister Seaga, who I believe has given the best justification, finally, of this decision of Jamaica's and of ours to

accede in the request of the OECS for assistance in their effort to establish collective security for the region. Prime Minister Seaga said:

It is the inescapable fact that revolution breeds revolution because it makes no allowance to institutionalized opposition and to change administrations peacefully. During the past week, we witnessed . . . not only a revolution spawning its own destruction but a brutal military take-over of a civilian government. It may be felt that these matters do not concern us, but most certainly they do. If a whole government can be wiped out overnight, either by political or military extremists, and the governments of the Caribbean remain silent and passive, then no government elected by the people can be safe from madmen of one type or another who would seek to replace a government of the people, elected by the people, with one selected by whichever chosen few of whatever nature.

If we ignore the occurrence of brutal military take-overs or political overthrows of governments, we would immediately give heart to every subversive group within the region to engineer disorder and instability as a means of overthrow. No democratic system of government would have a chance of carrying out the programs of development which it was elected to implement if in its midst was a group of subversives, anarchists, and terrorists bent on the destruction of the foundations of stability which underpin the whole system of democracy. The far-reaching consequences of such neglect on our part would be awesome and would have the effect of creating an unsure and insecure future for all of us.

For the sake of the democratic system of government, which we all agree to be the one which allows the maximum freedom of choice to a people and protects their right to elect a government of their choice, we cannot ignore the events which defeat these purposes wherever they occur in the English-speaking Caribbean.

It behooves this chamber, as well as the English-speaking Caribbean, not to ignore events which defeat the purposes for which this organization was founded. Those purposes are the promotion of human freedom and human rights, of self-determination, the protection of national independence, the promotion of development. This chamber is not incapable of making distinctions between policies which serve those purposes and policies which undermine them. No government in this chamber is incapable of making such distinctions. We very much hope that those governments in this chamber which do, indeed, endorse and support the principles of the Charter of the United Nations will reflect carefully on the most profound and important issues involved here so of them it will never be said they knew not what they did.

AID ADMINISTRATOR McPHERSON'S STATEMENT, OCT. 31, 1983

The U.S. Agency for International Development (AID) is airlifting food, generators, water tanks, and other relief supplies to Grenada to help the people affected by the recent emergency.

The first shipment of evaporated milk, sugar, canned cornbeef and sardines, fruit juices, and other supplies was airlifted from Bridgetown, Barbados, on October 28 to Point Salines in Grenada and distributed to displaced persons by AID and Grenadian welfare groups.

Yesterday AID also airlifted, from its disaster relief stockpiles in Panama, two planeloads of supplies. They include five generators to provide emergency power for lighting, communications equipment, and water supply; a jeep and driver; two mobile water trailers with a capacity of 250 gallons each; eight 3,000-gallon collapsible water tanks; and 1,000 five-gallon portable water containers. AID also has sent an epidemiologist from the Center for Disease Control in Atlanta and a sanitary engineer.

AID's Office of Foreign Disaster Assistance is coordinating all U.S. Government humanitarian assistance to Grenada. We have dispatched an AID disaster survey team to Grenada that is working closely with a U.S. military disaster survey team to assess the short-term relief and reconstruction needs of the Grenadians.

As soon as AID receives a comprehensive report from the disaster survey team later this week, AID anticipates providing additional humanitarian assistance. To date, AID has allocated \$475,000 for the disaster relief effort in Grenada.

AMBASSADOR KIRKPATRICK'S STATEMENT, UN GENERAL ASSEMBLY, NOV. 2, 1983⁵

The United States does not oppose the inscription of the situation in Grenada under rule 15 as an additional item for consideration by the General Assembly during the current session. The United States does not object to debate of this issue. To the contrary, we welcome a full, judicious discussion of all the facts pertaining to the situation in Grenada.

Convinced that an understanding of the situation will support the action of the Organization of Eastern Caribbean States and its associates, including the

Government of the United States, the United States, therefore, particularly and most especially, regrets the decision of this body to terminate debate before it had ever begun, to deny the Assembly the right either to discuss or to review facts before it made its decisions.

The United States very deeply hopes that the Assembly will not repeat this decision in dealing with other important matters concerning international peace and security.

The United States is convinced that the facts, understanding of the facts, will support our actions. We believe that the use of force by the task force was lawful under international law and the UN Charter, because it was undertaken to protect American nationals from a clear and present danger, because it was a legitimate exercise of regional collective security, because it was carried out with due concern for lawful procedures and carried out in the service of values of the charter, including the restoration of the rule of law, self-determination, sovereignty, democracy, respect for the human rights of the people of Grenada.

The United States did object to giving special priority to the consideration of this item, not because we do not think it important—obviously, we think it is very important—but because the situation that now prevails in Grenada is not more urgent than other matters still to be considered by the Assembly, matters that also involve the basic values of the charter and, even more, human lives; matters such as the situation in Lebanon and the Middle East, southern Africa, Central America, Afghanistan, the war between Iran and Iraq, and other issues that will not come before the Assembly at all, such as the aggression against Chad or the repression of the Polish people or the persecution of Andrei Sakharov, Anatoly Shcharanskiy, Jose Pujals, Ricardo Bofil, Eloy Gutierrez Menoyo, and other beleaguered defenders of human rights now held prisoner in some country which not only votes to deny debate in this Assembly but represses discussion and dissent at home.

Moreover the United States deemed it hypocritical and politically tendentious to turn the Assembly's urgent attention to the situation in Grenada only after the real emergency in that country passed; that is to say, only after Grenada had been rescued from the murderous elements that had taken over the country, threatening the people of that country and the neighboring states as well. But the issue was brought before us

without debate, it was forced to a vote without debate, and so we are left to consider only retrospectively the issues raised in the resolution.

First, it is necessary to consider the situation that prevailed in Grenada before the intervention of October 25 to decide whether that situation was such as to warrant the use of force in a manner consistent with the Charter of the United Nations. Examination of those facts permits us to decide whether the principle of self-determination was violated or whether it was upheld; whether the sovereignty of Grenada was destroyed or whether it is being restored; whether the people of Grenada were victimized or whether they were, in fact, quite truly liberated; whether the cause of peace was damaged or was served.

These only appeared to be difficult questions. The difficulties disappear when the questions are addressed not in the abstract but in the context of the concrete circumstances that led the small, peaceful, democratic island states of the Caribbean not merely to sanction the intervention but to request it and to participate in it.

The test of law lies not in the assertion of abstract principles but in the application of universal norms to specific situations. A court that cannot distinguish between lawful and criminal use of the force—between force used to protect the innocent and force used to victimize the innocent—is not worthy to sit in judgment on anyone. The failure to preserve such distinction does not preserve law as an instrument of justice and peace but erodes the moral and legal foundations of civilized existence. There was, of course, first the question of force, the question of violence. There was, as I have already referred, the death—the murder—of Maurice Bishop, his deputies, his Cabinet Ministers, people randomly shot in the crowds around Bishop. In these murders, there were no courts, no trials, no judgments, only murder.

The full facts concerning these murders will become clear, will be presented to the world in due time. Expressing horror at these brutal and vicious murders, Prime Minister Tom Adams of Barbados said that the division in the Caribbean now goes far beyond ideological pluralism and is the difference between barbarians and human beings.

The United States, in the course of its participation in the collective regional security action in Grenada has, along with its colleagues in that action, come

into the possession of documents captured on Grenada, and these documents are being analyzed. Among these documents are five very interesting secret military assistance agreements between Grenada and the Soviet Union, Cuba, and North Korea, executed between 1980 and 1982, which provide for the training of Grenadian soldiers in Cuba and the Soviet Union, the assignment of Cuban and Soviet advisers and trainers in Grenada.

Among these documents are agreements for the delivery, free of charge, of millions of dollars in military supplies—20,000 uniforms, 4,500 rifles and sub-machine guns, 58 armored vehicles, 7,000 mines, and so forth. The United States will be presenting photographs of the weapons actually found in the seven warehouses in Grenada and those just discovered on the adjoining island.

The United States believes, as some nations have suggested, that a parallel can be drawn between the action in Grenada and the Soviet action in Afghanistan—a very meaningful parallel. Just as Maurice Bishop was murdered in Grenada because he tried to free himself from the Soviet stranglehold, so too was Mohammed Daud murdered in Afghanistan. And after him, Hafizollah Amin was murdered in Afghanistan. They too discovered that the only thing more dangerous than embracing the Soviet bear is trying to break loose from its deathly grip. They too learned that the price of trying to “reverse” Soviet conquest is violent death. This, and this alone, is the parallel between Grenada and Afghanistan. The difference is that the people of Grenada have now been spared the cruel fate of the people of Afghanistan.

The United States is proud to have participated with its eastern Caribbean friends in the liberation of the people of Grenada, in the restoration of their sovereignty, their right to self-determination, their human rights, their rights to democratic government, and for that reason, proud to have voted today against the resolution that deplored this positive and constructive event.

AID ADMINISTRATOR McPHERSON'S STATEMENT, NOV. 2, 1983

AID has allocated \$475,000 for immediate relief measures and commenced an airlift of basic supplies to Point Salines. Food, generators, water tanks, and other relief were provided to assist

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displaced and seriously affected Grenadians. At this time, we foresee relief measures continuing for at least several more weeks. In addition to serving these needs, we have the primary objective of returning the Grenadian economy to a normal state of activity. A return to a more normal state is the way that the people can start to take care of their needs. Therefore, AID is now contributing an additional \$3 million for relief and restoration.

Medical and public health services were disrupted by the exhaustion of basic supplies and equipment as well as by the repatriation of many foreign medical personnel. Three U.S. public health officials are now in Grenada surveying basic health needs. Their recommendations will guide our responses.

Early reports indicate that damage to the existing system in various parts of the country prevents major segments of the population from receiving potable water.

The delivery of life-supporting human services is threatened by the badly deteriorated road system that connects major population centers. This problem must be dealt with.

Mobilization of Grenadian social and community welfare organizations provides an important adjunct to donor-sponsored relief and restoration activities, and we will work with these groups.

AID is firmly committed to the economic recovery and long-term development of Grenada. Our efforts are directed at immediate relief, short-term economic reactivation, and long-term development. Already we are carefully examining companion programs in the eastern Caribbean with an eye to extending several of these in order to give regional support to Grenada. We are particularly sensitive to the needs of the Grenadian private sector as a central instrument to the recovery process. Also we anticipate assistance to the productive sectors, particularly agriculture, small-scale manufacturing, and tourism. To the extent that AID has the resources and mandate, we will make every effort to support the return of economic and social prosperity in Grenada.

WHITE HOUSE STATEMENT, NOV. 3, 1983⁶

The passage of this resolution, which "deplores" the Grenada action, has more to say about the state of the United Na-

tions today than it does about recent developments in Grenada. We find it sad that the United Nations sees fit to "deplore" actions taken for humanitarian reasons, to save innocent lives, and protect human rights, in full accord with the principles of the UN Charter.

We were also deeply disturbed that certain countries forced an immediate vote, thereby muzzling debate in the Assembly. We find this contrary to a fundamental purpose of the United Nations—to provide for free and open debate.

We would like to note, however, that there were several positive elements in the resolution, which, in the paragraph-by-paragraph vote, we supported. These included the call for respect of Grenada's sovereignty and independence, the regret for the deaths of innocent civilians, and the call for free elections as soon as possible so that the people of Grenada can determine their own future.

PRESIDENT'S REMARKS AND QUESTION-AND-ANSWER SESSION (EXCERPTS), NOV. 3, 1983⁶

Secretary of Defense Cap Weinberger called to inform me that hostilities in Grenada have ended and that he instructed our military commanders to begin withdrawing their forces within a few days.

What this means is that the situation is stable; no sniper fires or other form of military resistance is evident on the island. Our objectives have been achieved and as soon as the logistics permit, American personnel will be leaving.

I'd like to add that the members of the armed forces have conducted themselves in the finest tradition of the military. We can be proud of the courage and professionalism that we've seen from the people down there. The American students called them rescuers. The citizens of Grenada have hailed them as liberators. I think the whole lot of them deserve the respect and admiration of our country.

The operation was not without cost. Those who were killed, wounded, or injured in this operation, I believe, are heroes of freedom. They not only rescued our own citizens but they saved the people of Grenada from repression and laid aside a potential threat to all the people of the Caribbean.

After viewing the massive horde of Soviet weapons found on that island, who knows what evil the liberation of

Grenada achieved for us, or averted in the years ahead.

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Q. Nicaragua says you intend to invade that country. Do you?

A. I haven't believed anything they've been saying since they got in charge, and you shouldn't either.

Q. Does the success of Grenada, as you view it, mean that you might be able to apply the military in similar situations elsewhere?

A. No, I can't foresee any situation that has exactly the same thing that this one had. It had exactly what we announced in the beginning—the need to protect the lives and the safety and freedom of about 1,000 Americans, most of them students down there in medical school, and in answer to a request on the part of the other nations bound by treaty together in the east Caribbean that we lend our support to them in freeing this up because they lacked the strength and capability of doing it.

Q. If somebody else asks, would you be willing to do it again?

A. As I say, if all the conditions were the same, I don't see why our reason would be any different. But I don't foresee any similar situation on the horizon.

Q. Why did 100 nations in the United Nations not agree with you that this was a worthwhile venture?

A. One hundred nations in the United Nations have not agreed with us on just about everything that's come before them where we're involved, and it didn't upset my breakfast at all.

Q. Some people say that the United States has now lost a moral high ground, that there's no difference between what we did in Grenada and what the Soviets did in Afghanistan. What's your response to that?

A. For heaven's sake, anyone who would link Afghanistan to this operation—and incidentally, I know your frequent use of the word invasion. This was a rescue mission. But in Afghanistan, if you will recall, when the Soviets installed their choice of head of state for Afghanistan and in the process in changing the forces there, an American Ambassador was murdered in Afghanistan. Then, against all the opposition of the Afghanistan people, they have used every vicious form of warfare, including chemical warfare. The killing of women and children that has caused even some of their own men to desert because they will not carry out the orders to kill



women and children. They're still there after a long period of time, longer than I've been in this office.

As compared to what we did in answer, actually, to an appeal that first came from the Governor General of the island, who was in house arrest, to his fellow states there in the Caribbean which were appealing for rescue, and we helped in the rescue.

Granted that we contributed the bulk of the power but because, only because, the others were limited in their ability to do that. And this was a rescue mission. It was a successful rescue mission, and the people who have been rescued, and the Grenadians who have been liberated, are down there delighted

with and giving every evidence of appreciation and gratitude to our men down there.

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DEPUTY SECRETARY DAM'S REMARKS, LOUISVILLE, NOV. 4, 1983⁷

This is the 11th day since the combined U.S.-Caribbean peace force landed in Grenada to protect lives and restore order. That may not be enough time to make definitive historical judgments, but it is not too early to begin to reflect on the meaning of what happened. So I would like today to talk both about the collective action itself and about its

larger significance for U.S. foreign policy.

Two basic objectives motivated the President's decision last week to act jointly with Barbados and Jamaica in response to the urgent and formal request from the Organization of Eastern Caribbean States (OECS). These objectives were:

- To protect the lives of U.S. citizens; and
- To help Grenada reestablish order so that governmental institutions and human rights can be restored, thereby contributing also to the maintenance of regional peace and stability.

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The Setting

Prime Minister Charles of Dominica recently described the countries of the eastern Caribbean as "kith and kin." Reuben Harris, the Education Minister of Antigua and Barbuda, was more specific last week at a UNESCO [UN Educational, Scientific and Cultural Organization] conference in Paris. He noted that these nations "enjoy an economic community, a common currency, joint diplomatic representation and responsibility for . . . common defence and security."

This unique institutional setting helps explain why 10 days, days of brutality and instability, ultimately brought about collective action to restore peace in Grenada. Order began to disintegrate in Grenada the evening of October 12 with an attempt by Deputy Prime Minister Bernard Coard to force out Prime Minister Maurice Bishop. According to minutes of the party Central Committee, although Bishop had established close relations with Cuba and the Soviet Union, the Coard faction considered him a "bourgeois deviationist" for moving too slowly to consolidate a "Leninist" restructuring of Grenadian society.

Bishop was put under house arrest in the middle of the night October 14, then freed by his supporters on October 19. Troops opened fire on the crowd. Bishop and several Cabinet ministers and union leaders were taken away, then executed. Education Minister Jacqueline Creft was apparently beaten to death.

In the wake of these murders, the People's Revolutionary Army announced the government was dissolved and a 24-hour curfew imposed; anyone found outside would be shot on sight. Army General Hudson Austin was head of a 16-member Revolutionary Military Council (RMC). But it was never clear that Austin or any coherent group was in fact in charge. No one knew when—or how—a new government would be formed.

Caribbean Reaction

The murders and breakdown of governmental order shocked, repelled, and alarmed leaders throughout the Caribbean. Without exception, the leaders of the eastern Caribbean condemned the murders and expressed their sympathy for the people of Grenada.

Other Caribbean leaders were equally outraged. Prime Minister Tom Adams of Barbados said Bishop and his fellow

ministers had been killed by "disgusting murderers" who had committed the "most vicious act to disfigure the West Indies since the days of slavery."

Prime Minister Edward Seaga of Jamaica expressed revulsion at "the intensity of the barbarity" and broke diplomatic relations with Grenada. Even the Jamaican opposition party (People's National Party, the PNP), headed by former Prime Minister Michael Manley, severed all relations with the New JEWEL Movement, recommended its expulsion from the Socialist International, and declared that the RMC had no right to speak for the Grenadian people.

The Decision to Act

Sometimes action is necessary to keep a bad situation from getting worse. This was such a time. The disintegration of political authority in Grenada had created a dynamic that spread uncertainty and fear and that made further violence likely. The actions of Bishop's murderers made clear that they would have either driven the island into further chaos or turned it into an armed fortress. In either event, the threat to U.S. citizens and to the peace of the eastern Caribbean would have increased. Inaction would have made a hostage situation more likely and increased the costs in lives of any subsequent rescue operation.

The OECS decided to help its member state of Grenada and to ask Barbados, Jamaica, and the United States for assistance. In its formal request for U.S. assistance, the OECS cited:

... the current anarchic conditions, the serious violations of human rights and bloodshed that have occurred and the consequent unprecedented threat to the peace and security of the region created by the vacuum of authority in Grenada.

The OECS request also noted:

... that military forces and supplies are likely to be shortly introduced to consolidate the position of the regime and that the country can be used as a staging post for acts of aggression against its members; and

... that the capability of the Grenada armed forces is already at a level of sophistication and size far beyond the internal needs of that country.

We had, of course, also been following events with increasing concern. As is well known, Grenada's ties to Cuba and the Soviet Union and its abandonment of democracy and poor human rights record had led the United States to have serious disagreements with the Bishop regime. Nonetheless, Bishop's visit to

the United States in June 1983 (when Judge Clark [William Clark, then National Security Adviser to the President] and I met with him in my office) had led us to hope that Grenada might adopt a more moderate course.

What became our overriding concern as events unfolded, however, was not Grenada's political system. Rather, it was the safety of U.S. citizens in the midst of a growing anarchy which the countries of the Caribbean also saw as a direct threat.

Some 1,000 U.S. citizens, mainly students, retirees, and missionaries, made up the largest community of foreigners on Grenada. Our concern for their welfare was heightened by the murders, the shoot-on-sight curfew, and the difficulty of getting accurate information. And in the absence of a functioning government, there could be no credible assurances of their well-being and future prospects. I don't think that I need remind you that today is the fourth anniversary of the seizure of the U.S. Embassy in Tehran.

After carefully considering these developments, and reviewing all aspects of the OECS request, President Reagan concluded that to wait passively would entail great and increasing risks. Before acting, however, the President sent a special emissary, Ambassador Frank McNeil, to consult with OECS representatives and with Prime Minister Adams of Barbados and Prime Minister Seaga of Jamaica.

Ambassador McNeil found these leaders unanimous in their conviction that the deteriorating conditions on Grenada were a threat to the entire region and that the situation required immediate action.

Legal Authority for Action

U.S. actions have been based on three legal grounds.

First, as these events were taking place, we were informed, on October 24, by Prime Minister Adams of Barbados that Grenada's Governor General, Sir Paul Scoon, had used a confidential channel to transmit an appeal to the OECS and other regional states to restore order on the island. The Governor General has since confirmed this appeal. We were unable to make this request public until the Governor General's safety had been assured, but it was an important element—legally as well as politically—in our respective decisions to help Grenada. The legal authorities of the Governor General were the sole re-

maining source of governmental legitimacy on the island in the wake of the tragic events I have described. We and the OECS countries accorded his appeal exceptional moral and legal weight. The invitation of lawful governmental authority constitutes a recognized basis under international law for foreign states to provide requested assistance.

Second, the OECS determined to take action under the 1981 treaty establishing that organization. That treaty contains a number of provisions—in articles 3, 4, and 8—which deal with local as well as external threats to peace and security. Both the OAS [Organization of American States] Charter, in articles 22 and 28, and the UN Charter, in article 52, recognize the competence of regional security bodies in ensuring regional peace and stability. Article 22 of the OAS Charter, in particular, makes clear that action pursuant to a special security treaty in force does not constitute intervention or use of force otherwise prohibited by articles 18 or 20 of that charter. In taking lawful collective action, the OECS countries were entitled to call upon friendly states for appropriate assistance, and it was lawful for the United States, Jamaica, and Barbados to respond to this request.

Third, U.S. action to secure and evacuate endangered U.S. citizens on the island was undertaken in accordance with well-established principles of international law regarding the protection of one's nationals. That the circumstances warranted this action has been amply documented by the returning students themselves. There is absolutely no requirement of international law that compelled the United States to await further deterioration of the situation that would have jeopardized a successful operation. Nor was the United States required to await actual violence against U.S. citizens before rescuing them from the anarchic and threatening conditions the students themselves have described.

Some are asking how this U.S. action can be distinguished from acts of intervention by the Soviet Union. Let me say that the distinctions are clear. The United States participated in a genuine collective effort—the record makes clear the initiative of the Caribbean countries in proposing and defending this action. This action was based on an existing regional treaty and at the express invitation of the Governor General of Grenada. Our concern for the safety of our citizens was genuine. The factual circumstances on Grenada were excep-

tional and unprecedented in the Caribbean region—a collapse of law, order, and governmental institutions. Our objectives are precise and limited—to evacuate foreign nationals and to cooperate in the restoration of order. Our objectives do not involve the imposition on the Grenadians of any particular form of government. Grenadians are free to determine their institutions for themselves. Finally, our troops have already begun to leave; we will complete our withdrawal as soon as other forces are ready to take over from us.

Those who do not see—or do not choose to see—these clear-cut distinctions have failed to analyze the facts. We have not made, and do not seek to make, any broad new precedent for international action. Our actions themselves are well within accepted concepts of international law.

The Rescue Operation

To minimize the potential loss of lives and maximize the chances of success, both the preparations for the multinational peace force and our final decision to participate had to be protected by keeping them secret.

When our forces arrived in Grenada, they immediately came under fire. And the main resistance came from Cubans, not Grenadians. The Cubans were very well armed. They were deployed at the airport, at the medical school where a large number of U.S. citizens were studying, at the Governor General's house, at a Cuban military encampment at Calivigny, and at several other forts and strategic points.

Despite the Cuban-led resistance, hostilities have now ended. U.S. forces are withdrawing. The Rangers left Sunday; the Marines yesterday.

The Governor General has thanked us for our assistance as a "positive and decisive step forward in the restoration not only of peace and order but also of full sovereignty."

The OECS is assisting the Governor General and prominent Grenadians to establish a provisional government capable of restoring functioning institutions and permitting early elections.

Seventeen flights have safely evacuated, at their request, 599 Americans and 121 foreigners. Their accounts of conditions in Grenada and praise for their rescuers speak for themselves. The respected Grenadian journalist Alister Hughes evidently spoke for the vast majority of people in Grenada, Grenadians and foreigners alike, when he said of the Caribbean peace force: "Thank God they

came. If someone had not come in and done something, I hesitate to say what the situation in Grenada would be now."

Cuban and Soviet Penetration in Grenada

While we are still assembling and evaluating the evidence, what we have found suggests that Grenada would have become a fortified Cuban/Soviet military outpost. I mentioned earlier that we had been concerned—well before the events which brought about our collective action—that Grenada could be used as a staging area for subversion of nearby countries, for interdiction of shipping lanes, and for transit of troops and supplies from Cuba to Africa and from Eastern Europe and Libya to Central America.

What we found in Grenada may be summed up as the military underpinnings for just such uses. We found five secret treaties—three with the Soviet Union, one with North Korea, and one with Cuba—under which these communist countries were to donate military equipment in amounts without precedent for a population of 110,000. We found artillery, antiaircraft weapons, armored personnel carriers, and rocket launchers. We found thousands of rifles, thousands of fuses, tons of TNT, and millions of rounds of ammunition. We found communications gear and cryptographic devices. We found agreements authorizing the secret presence of Cuban military advisers, some of them on a "permanent" basis.

All of the agreements stipulated that arms would be delivered to Grenada only by Cuban ships through Cuban ports. And although the Soviet Union was providing the arms and training free of charge, the Soviet Union required the Grenadians to keep all military arrangements secret and delayed the opening of a Soviet Embassy in Grenada until 18 months after entering into such arrangements.

Broader Lessons

Perhaps the first and most basic lesson of events on Grenada is that Cuban activities are not as benign as Fidel Castro would have us believe.

We have been regularly accused of exaggerating the dangers of Cuban/Soviet activities in countries like Grenada. However, what we found in Grenada suggests that, if anything, we were guilty of *understating* the dangers. We now know that we had underesti-

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mated Soviet use of Cuba as a surrogate for the projection of military power in the Caribbean. Examine again what we found—well-armed Cubans called construction workers; fortifications; stockpiled weapons; secret military treaties; personnel from Eastern Europe, Africa, and East Asia, all innocently enjoying a tourist paradise no doubt.

Think again about the facilities that all this would have secured—the Point Salines Airport, which would have enabled a MiG-23 carrying four 1,000-pound bombs to strike and return from Puerto Rico in the north to Venezuela in the south; the Calivigny military training area; a 75,000-watt radio transmitter capable of blanketing the entire Caribbean Basin; the potential for a deep-water harbor.

In light of this evidence, many Americans—and not a few Europeans—might productively reassess their estimate of the security concerns of the American Government and of the non-communist countries of the Caribbean Basin.

A second, related point worth thinking about is what happened to Maurice Bishop. His experience graphically shows what could happen to those who put their faith in military assistance and advisers from Cuba and the Soviet Union, but then try to remain non-aligned. The threat to their freedom and survival may well come from the very system their friends have helped them put in place.

In the wake of Bishop's murder, Suriname expelled the Cuban Ambassador and 100 Cuban "technicians." The nine *commandantes* of Nicaragua might also wish to ponder their relationship with their Soviet and Cuban mentors.

A third lesson, and again one of particular importance for the Sandinistas, is that in the absence of democratic institutions and legal safeguards, policy differences tend to degenerate into violence. The way to end such violence is to fulfill their original promises of democracy and free elections.

A final lesson of the events in Grenada is that neighbors have a clear, ongoing responsibility to act in ways consistent with each other's legitimate security concerns. In Nicaragua, for example, Sandinista willingness to negotiate seriously, to reduce reliance on military power, and, most importantly, to stop belligerent behavior toward their neighbors would represent the high road to peace in Central America.

U.S. Policy in Central America

Taken as a whole, what these lessons imply for Central America is that we must focus our resources on finding more creative ways to foster democratic development and regional cohesion. It is for this reason that we are firmly committed to a comprehensive approach to that region's conflicts.

As President Reagan told a special joint session of Congress on April 27, our policy in Central America is based on four interlocking elements—democracy, development, dialogue, and defense.

- Our policy is to actively support democracy, reform, and human freedom in Central America—as much for El Salvador and Guatemala as for Nicaragua.

- The United States supports economic development and is devoting three times the funds to such development than to military assistance. The Caribbean Basin Initiative, I should note, is as open to Nicaragua as to Costa Rica and Honduras.

- We support dialogue and negotiations—the internal dialogue of democracy in each country and the multilateral negotiations of nations honestly trying to live peacefully with each other.

- And we have and will continue to provide what the President has called a security shield against those who oppose democratization, economic development, and diplomacy.

In the interests of settling the conflicts in Central America before they reach a crisis stage, the United States is quietly but firmly supporting the regional Contadora process. It is no coincidence that the consensus of the nine countries involved about what is required for peace in Central America is parallel to our own. We support—as do Nicaragua's neighbors, especially the "Core Four" countries of Costa Rica, El Salvador, Guatemala, and Honduras—an end to terrorism, destabilization, and guerrilla warfare; a reduction of military forces and armaments; political reconciliation through free elections and respect for human rights; the removal of foreign troops and military advisers; and the commitment of resources more for economic development and reform than for military buildup and destruction.

What this all adds up to is that the United States is pursuing a responsive and responsible role in this entire region. I believe that we have the confidence to do so, even in the face of

violence and uncertainty, because we had already learned what may be the underlying lesson of the collective response to the Grenada crisis: the best source of knowledge about an area is the people of that area—those most directly concerned with what is happening in their own neighborhood.

What Prime Minister Charles and the others told us while the Grenada crisis was building proved to be accurate. The Caribbean leaders faithfully reflected the feelings, the concerns, and hopes of the Grenadian people—and, may I add, of the U.S. citizens there as well. We listened to Grenada's neighbors, and we are doing the same thing in Central America. Our policy is responsive to Central American opinion polls, the statements of respected democratic leaders, and the Contadora "document of objectives." And we are responding in the Caribbean Basin Initiative: we listened when Latin and Caribbean economists told us that they wanted "trade not aid."

Leadership means listening and acting intelligently on what is heard. That is what we did in Grenada. That is what we are doing in Central America. And I believe the American people are coming to understand what their government is doing and why.

¹Text from Weekly Compilation of Presidential Documents of Oct. 31, 1983.

²Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Strom Thurmond, President *pro tempore* of the Senate (text from Weekly Compilation of Presidential Documents of Oct. 31).

³Press release 377.

⁴USUN press release 103.

⁵USUN press release 120.

⁶Text from Weekly Compilation of Presidential Documents of Nov. 7.

⁷Made before the Associated Press Managing Editors' Conference. ■

Renewing the Economic and Humanitarian Commitment to El Salvador

by M. Peter McPherson

Opening statement at a news conference held in San Salvador, El Salvador, on October 5, 1983. Mr. McPherson is Administrator of the Agency for International Development (AID).

It is a pleasure for me to return to El Salvador to review progress in meeting the basic needs of the country and to renew the U.S. commitment to economic and humanitarian assistance programs. When I was here in November 1981, I said the primary U.S. objectives were to help the Government of El Salvador reduce violence, establish a democratic process of open elections, stabilize the economy, and provide the basis for long-term economic growth. Those objectives have not changed.

The elections of 1982 were widely hailed for their fairness and the determined participation of the Salvadoran population. Plans for new elections in early 1984 will further advance this democratic process.

Restoring Economic Stability

We are making major efforts with the Government of El Salvador to stabilize the economy. Over the last 2 years, AID has provided El Salvador with about \$200 million in direct foreign exchange assistance. These funds enable El Salvador to import critically needed raw materials and spare parts that Salvadoran industry needs to boost production and employment. The imports include industrial chemicals, machinery parts, steer hides for shoes, fibers for paper manufacturing, textiles, and wood.

In addition, today in Washington, President Reagan signed the Caribbean Basin Economic Recovery Act that provides important trade benefits to El Salvador and other countries in the context of the overall Caribbean Basin initiative of the United States. The new act entitles El Salvador and two dozen other countries of the Caribbean Basin duty-free access to the U.S. market for 12 years for a wide range of commodities and manufactured products. This duty-free status offers a new opportunity and

challenge for El Salvador to increase production and export sales in product lines where they can establish a competitive advantage.

Restoring Productivity

Complementing the economic stabilization effort are joint U.S.-Salvador efforts to restore productivity and serve the humanitarian needs of the Salvadoran people. This includes support for agrarian reform, health and family planning, education, and private sector promotion and productive employment.

Under the agrarian reform program, which we strongly support, more than 500,000 Campesinos and their families are in the process of becoming owners of the land they till. It is imperative that we strengthen support of this important program. The Campesinos need assurance of security that they will be able to work their new landholdings. They also need credit and technical support to increase agricultural production on these lands.

In addition, to help the more than 290,000 Salvadorans displaced by the civil conflict, AID is increasing its support for the Government's emergency health and jobs project. One example is the AID project which has resulted in tens of thousands of jobs for displaced persons and about 20,000 vaccinations a month against polio, whooping cough, tetanus, and other communicable diseases.

Another countrywide jobs project has created work for additional thousands of Salvadorans. They are working on such projects as repair and reconstruction of rural roads, housing, reforestation and soil conservation, urban street improvement, water supply, and electrification.

Food for Peace Program

Under the U.S. Food for Peace program, we have provided more than 560,000 tons of wheat, corn, rice, dry milk, and other staples for the people of El Salvador. A portion of this food is provided on a donation basis for children, nursing mothers, and thousands of other needy people.

We know El Salvador is facing a serious shortage of white corn produced by local farmers. Rice, another staple, also is in short supply. Production was down last year because of adverse weather, and the country is plagued again this year by drought. And the current harvest—October-November—will only temporarily relieve the corn shortage.

To help relieve that shortage, the United States plans to provide the Salvadoran Government in the next few months with \$32 million in food commodities through the U.S. Food for Peace Program.

Conclusion

Unfortunately, the violence continues. Nevertheless, I am impressed by your redoubled efforts and progress in bringing peace and increased economic opportunity to areas of heavy conflict. Earlier today, I saw evidence of this progress in San Vicente province. In areas made safe by the Salvadoran Army, farmers are now tending their fields and the government is now able to provide education and health services until recently denied the people in this area.

Additional U.S. funding will restore vital economic and social services which have been the targets of guerrilla sabotage. Through U.S. disaster assistance and other funds, for instance, the El Salvadoran Government has placed generators in more than 50 locations so small countries can have standby power to operate their clinics, schools, factories, and other important facilities.

We commend the Government of El Salvador for its progress in carrying out an economic stabilization program and serving the needs of its population despite the continuing violence. We firmly believe El Salvador is laying the foundation for steady economic progress as peace is restored. ■

TREATIES

Current Actions

MULTILATERAL

Atomic Energy

Protocol to suspend application of safeguards pursuant to the IAEA-U.S.-Venezuela agreement of Mar. 27, 1968 (TIAS 6433, 10096), and to provide for application of safeguards pursuant to the IAEA-Venezuela safeguards agreement (June 23, 1978) concerning the treaties on nonproliferation and prohibition of nuclear weapons in Latin America and pursuant to the IAEA-U.S. safeguards agreement of Nov. 18, 1977 (TIAS 9889). Signed at Vienna Sept. 27, 1983. Entered into force Sept. 27, 1983.

Coffee

International coffee agreement 1983, with annexes. Done at London Sept. 16, 1982. Entered into force: Provisionally, Oct. 1, 1983.

Ratification deposited: Denmark, Ethiopia, Rwanda, Sept. 29, 1983; Dominican Republic, Sept. 30, 1983; New Zealand, Sept. 27, 1983; Tanzania, Sept. 28, 1983.

Accession deposited: Australia, Sept. 30, 1983.

Declarations of provisional application deposited: Angola, Haiti, Togo, Sept. 28, 1983; Benin, Spain, Sept. 29, 1983; Bolivia, Colombia, Liberia, Portugal, Rwanda, Sept. 27, 1983; Ecuador, European Economic Community, F.R.G., Ghana, Greece, Italy, Paraguay, Yugoslavia, Sept. 30, 1983.

Commodities—Common Fund

Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.¹

Signature: Bhutan, Sept. 22, 1983.

Ratifications deposited: Canada, New Zealand, Sept. 27, 1983; Malaysia, Sept. 22, 1983; Nigeria, Sudan, Sept. 30, 1983; Zimbabwe, Sept. 28, 1983.

Conservation

Amendment to the convention of Mar. 3, 1973, on international trade in endangered species of wild fauna and flora (TIAS 8249).

Adopted at Bonn June 22, 1979.¹

Acceptances deposited: Egypt, Mar. 28, 1983; Finland, Apr. 5, 1983; Madagascar, Mar. 11, 1983; Niger, Apr. 8, 1983.

Consular Relations

Vienna convention on consular relations. Entered into force Mar. 19, 1967; for the U.S. Dec. 24, 1969. TIAS 6820. Accessions deposited: Japan, Oct. 3, 1983; Togo, Sept. 26, 1983.

Optional protocol, to the Vienna convention on consular relations, concerning the compulsory settlement of disputes. Entered into

force Mar. 19, 1967; for the U.S. Dec. 24, 1969. TIAS 6820.

Accession deposited: Japan, Oct. 3, 1983.

Cultural Property

Convention on the means of prohibiting and preventing the illicit import, export, and transfer of ownership of cultural property.

Adopted at Paris Nov. 14, 1970. Entered into force Apr. 24, 1972.²

Ratification deposited: Democratic People's Republic of Korea, May 13, 1983.

Education—UNESCO

Convention on the recognition of studies, diplomas, and degrees concerning higher education in the states belonging to the Europe region. Done at Paris, Dec. 21, 1979.

Entered into force Feb. 19, 1982.²

Ratification deposited: Malta, Mar. 24, 1983.

Energy

Agreement amending the agreement of Sept. 18, 1979 (TIAS 10188), for a program of research, development, and demonstration on hot dry rock technology. Signed at Paris Sept. 19, 1983. Entered into force Sept. 19, 1983.

Human Rights

International covenant on economic, social, and cultural rights. Done at New York Dec. 16, 1966. Entered into force Jan. 3, 1976.²

International covenant on civil and political rights. Done at New York Dec. 16, 1966. Entered into force Mar. 23, 1976.²

Accessions deposited: Congo, Oct. 5, 1983.

Judicial Procedure

Convention on the civil aspects of international child abduction. Done at The Hague Oct. 25, 1980. Entered into force Dec. 1, 1983.²

Ratification deposited: Portugal, Sept. 29, 1983.

Property—Intellectual

Convention establishing the World Intellectual Property Organization. Done at Stockholm July 14, 1967. Entered into force Apr. 26, 1970; for the U.S. Aug. 25, 1970. TIAS 6932.

Accession deposited: Honduras, Aug. 15, 1983.

Refugees

Protocol relating to the status of refugees. Done at New York Jan. 31, 1967. Entered into force Oct. 4, 1967; for the U.S. Nov. 1, 1968. TIAS 6577.

Accession deposited: Guatemala, Sept. 22, 1983.

Slavery

Convention to suppress the slave trade and slavery. Done at Geneva Sept. 25, 1926. Entered into force Mar. 9, 1927; for the U.S. Mar. 21, 1929. 46 Stat. 2183; TS 778.

Protocol amending the slavery convention signed at Geneva on Sept. 25, 1926 (TS 778), and annex. Done at New York Dec. 7, 1953. Entered into force Dec. 7, 1953 for protocol; July 7, 1955 for annex to protocol; for the U.S. Mar. 7, 1956. TIAS 3532.

Supplementary convention on the abolition of slavery, the slave trade, and institutions and practices similar to slavery. Done at Geneva Sept. 7, 1956. Entered into force Apr. 30, 1957; for the U.S. Dec. 6, 1967. TIAS 6418. Accessions deposited: Bolivia, Oct. 6, 1983.

Space

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow Mar. 29, 1972. Entered into force Sept. 1, 1972; for the U.S. Oct. 9, 1973. TIAS 7762. Ratification deposited: Luxembourg, Oct. 18, 1983.

United Nations

Charter of the United Nations and Statute of the International Court of Justice. Signed at San Francisco June 26, 1945. Entered into force Oct. 24, 1945. TS 993.

Admitted to membership in the

United Nations: Saint Christopher Nevis, Sept. 23, 1983.

Convention on the privileges and immunities of specialized agencies. Adopted by the General Assembly Nov. 21, 1947. 33 UNTS 261.²

Accession deposited: Botswana, Apr. 5, 1983.

UNIDO

Constitution of the UN Industrial Development Organization, with annexes. Adopted at Vienna Apr. 8, 1979.¹

Signature: Equatorial Guinea, Oct. 8, 1983.

Weapons

Convention on prohibitions or restrictions on the use of certain conventional weapons which may be deemed to be excessively injurious or to have indiscriminate effects, with annexed protocols. Adopted at Geneva Oct. 10, 1980. Entered into force Dec. 2, 1983.²

Ratification and acceptances deposited: Australia, Sept. 29, 1983.

Wheat

1983 protocol for the further extension of the wheat trade convention, 1971 (TIAS 7144). Done at Washington Apr. 4, 1983. Entered into force July 1, 1983.³ Ratifications deposited: Cuba, Sept. 29, 1983; Guatemala, Sept. 14, 1983; Pakistan, Oct. 18, 1983.

Women

Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.²

Accession deposited: Togo Sept. 26, 1983.

World Health Organization

Amendments to Articles 24 and 25 of the Constitution of the World Health Organization, as amended (TIAS 1808, 8086, 8534). Adopted at Geneva May 17, 1976 by the 29th World Health Assembly.¹
Acceptances deposited: Iceland, July 22, 1983; Kampuchea, Aug. 17, 1983; Singapore, June 10, 1983; Tunisia, Sept. 30, 1983; Venezuela, Aug. 17, 1983;

Amendment to Article 74 of the Constitution of the World Health Organization, as amended. Adopted at Geneva May 18, 1978 by the 31st World Health Assembly.¹
Acceptances deposited: Iceland, July 22, 1983; Tunisia, Sept. 30, 1983.

BILATERAL**Austria**

General security of military information agreement. Effected by exchange of notes at Washington May 4, 1983. Entered into force May 4, 1983.

Barbados

General agreement for economic, technical, and related assistance. Signed at Bridgetown Sept. 14, 1983. Entered into force Sept. 14, 1983.

Brazil

Memorandum of understanding for scientific and technical cooperation in geological sciences and earth resources. Signed at Brasilia Apr. 12, 1983. Entered into force Apr. 12, 1983.

Canada

Memorandum of understanding concerning the furnishing of balloon launching and associated services. Signed at Washington and Ottawa Aug. 26 and Sept. 9, 1983. Entered into force Sept. 9, 1983.

Chile

Investment incentive agreement. Effected by exchange of notes at Santiago Sept. 22, 1983. Enters into force on date of note by which Chile communicates to U.S. that exchange of notes has been approved pursuant to its constitutional procedures.

Cook Islands

Investment incentive agreement. Effected by exchange of notes at Wellington and Rarotongo Sept. 2 and Oct. 19, 1983. Entered into force Oct. 10, 1983.

Cyprus

Agreement relating to jurisdiction over vessels utilizing the Louisiana offshore oil port. Effected by exchange of notes at Nicosia Aug. 3 and Sept. 7, 1983. Entered into force Sept. 7, 1983.

Denmark

Memorandum of understanding concerning the furnishing of balloon launching and

associated services. Signed at Copenhagen and Washington Sept. 14 and 20, 1983. Entered into force Sept. 20, 1983.

Dominica

General agreement for economic, technical, and related assistance. Signed at Dominica Sept. 16, 1983. Entered into force Sept. 16, 1983.

Dominican Republic

Agreement amending the agreement and memorandum of understanding of Dec. 11, 1982, for the sales of agricultural commodities (TIAS 10629). Signed at Santo Domingo Aug. 22, 1983. Entered into force Aug. 22, 1983.

Honduras

Agreement relating to the agreement of June 11, 1983, for sale of agricultural commodities. Signed at Tegucigalpa June 27, 1983. Entered into force June 27, 1983.

Italy

Extradition treaty. Signed at Rome Oct. 13, 1983. Enters into force on exchange of instruments of ratification.

Kiribati

Treaty of friendship, with agreed minute. Signed at Tarawa Sept. 20, 1979.
Ratifications exchanged: Sept. 23, 1983.
Entered into force: Sept. 23, 1983.

Mexico

Agreement amending the agreement of Nov. 9, 1972, as amended (TIAS 7697, 9436, 9647, 10159, 10234, 10466, 10688), concerning frequency modulation broadcasting in the 88 to 108 MHz band. Effected by exchange of notes at Mexico and Tlatelolco July 21 and Sept. 22, 1983. Entered into force Sept. 22, 1983.

Morocco

Convention on mutual assistance in criminal matters. Signed at Rabat Oct. 17, 1983. Enters into force on the date on which the contracting states notify each other, by exchange of notes, that they have complied with their respective constitutional requirements.

Netherlands

Extradition treaty, with appendix. Signed at The Hague June 24, 1980. Entered into force Sept. 15, 1983.
Proclaimed by the President: Oct. 11, 1983.
Supersedes: Extradition treaty of June 2, 1887 (26 Stat. 1481; TS 256), as extended by treaty of Jan. 18, 1904 (33 Stat. 2257; TS 436).

Treaty on mutual assistance in criminal matters, with exchange of notes. Signed at The Hague June 12, 1981. Entered into force Sept. 15, 1983.⁵
Proclaimed by the President: Oct. 11, 1983.

Turkey

Agreement regarding scientific and technological cooperation, with exchange of notes. Signed at Ankara Feb. 21, 1983.
Entered into force: Oct. 11, 1983.

Tuvalu

Treaty of friendship. Signed at Funafuti Feb. 7, 1979.
Ratifications exchanged: Sept. 23, 1983.
Entered into force: Sept. 23, 1983.

United Kingdom

Memorandum of understanding on the participation of the United Kingdom in the ocean drilling program. Signed at Swindon Aug. 30, 1983. Entered into force Aug. 30, 1983.

Uruguay

International express mail agreement, with detailed regulations. Signed at Washington Sept. 22, 1983. Enters into force on date mutually agreed upon by the administrations.

Zimbabwe

Agreement concerning the provision of training related to defense articles under the U.S. international military education and training (IMET) program. Effected by exchange of notes at Harare Sept. 2 and 17, 1981.
Entered into force: Sept. 17, 1981.

¹Not in force.

²Not in force for the U.S.

³Provisionally in force for the U.S.

⁴For the Kingdom in Europe and the Netherlands Antilles.

⁵With declarations that treaty shall not apply to requests for assistance relating to fiscal offenses addressed to the Netherlands Antilles. ■

CHRONOLOGY

October 1983

October 3

Testifying before a congressional panel, U.S. Ambassador to the UN Jeane Kirkpatrick says she opposes substantial cuts in the U.S. contribution to the UN as proposed in the Kassebaum amendment and would favor "selective withholding" involving "earmarking" funds to specific agencies for specific projects. State Department says that "if adopted, the amendment would raise serious questions about U.S. compliance with treaty obligations, and that deep, across-the-board nonprogrammatic cuts are not the way to bring the UN budget under control." Such cuts, said Department spokesman Alan Romberg, "would penalize many extremely worthwhile UN activities. . . ."

U.S. condemns an upsurge of right-wing violence in El Salvador and supports a statement made by the U.S. Embassy in San Salvador on September 23 on the denunciation of terrorism committed by secret organizations known loosely as "death squads." The U.S., State Department spokesman Romberg says, finds it "particularly deplorable" that political violence in El Salvador has been directed against moderate groups who have accepted the "risk of supporting democratic reforms."

President Reagan postpones visits to the Philippines, Indonesia, and Thailand after reviewing his planned 17-day itinerary and assessing legislative issues involving funding for the MX missile and for the U.S. contribution to the International Monetary Fund, and for foreign assistance measures.

October 3-14

F.R.G. President Karl Carstens makes a state visit to the U.S. to attend ceremonies commemorating the tricentennial of German settlement in America. While in Washington, D.C., Oct. 3-6, he meets with President Reagan and other government officials.

October 4

U.S.-Spanish Council meets in Washington, D.C. The council is responsible for supervising the implementation of the agreement on friendship, defense, and cooperation between the U.S. and Spain. The meeting is cochaired by Secretary Shultz and Spanish Foreign Minister Fernando Moran.

Prior to their departure for the 5th round of START talks to begin in Geneva Oct. 5, President Reagan formally announces to the U.S. delegation that the U.S. will propose new initiatives which include a proposal for a mutual, guaranteed build-down designed to encourage stabilizing systems. Specifically, the build-down proposal would include:

- A provision linking reductions to modernize using variable ratios which identify how many existing nuclear warheads must be withdrawn as new warheads of various types are deployed;

- A provision calling for an annual 5% mandatory build-down; and
- A provision that ensures that reductions would be paced by whichever above rule produces the greatest reductions.

Additionally, the delegation will be prepared to:

- Address concurrently the build-down of bombers;
- Discuss additional limitations on the air-launched cruise missiles carried by U.S. bombers; and
- Negotiate trade-offs in ways that provide each side maximum flexibility consistent with movement toward a more stable balance of forces.

The initiatives also propose the establishment of a START working group to discuss the U.S. build-down initiative and the appointment of a member of the Scowcroft commission as "member-at-large" to join the delegation.

October 5

Lech Walesa, founder of Poland's Solidarity labor union, is awarded the 1983 Nobel Peace Prize for his struggle for workers' rights. President Reagan hails the award as a "triumph of moral force over brute force."

Five nations of the Contadora group—Costa Rica, Guatemala, Honduras, Nicaragua, and El Salvador—reach agreement on a "document of objectives" for negotiations toward peace in Central America. It includes a statement of principles to regulate the actions of the signatories—including nonintervention, self-determination, and the peaceful solution of disputes.—and calls for continued talks leading to a verifiable, operational agreement.

First stage of implementation of the Caribbean Basin Initiative is celebrated. President Reagan says this will mean "open markets in the United States" for most exports from the region, and incentives "to encourage investment and growth."

October 6

Senate Appropriations Committee unanimously decides to block 30% of the aid for El Salvador this year until a verdict is rendered in the 1980 slaying of four churchwomen.

Commenting on the 21 objectives set out by the Contadora group, Secretary Shultz says that the objectives provide the starting point for efforts to bring about a peaceful regional resolution of the conflicts in Central America and that "those most immediately involved in the Contadora process can take a certain amount of pride" that there has been agreement on some important principles.

Parliamentarians from 16 NATO countries attending the annual session of the North Atlantic Assembly at The Hague, adopt a resolution unanimously condemning "the increased level" of East-bloc jamming of Western shortwave radio programs, citing particularly Soviet jamming of the VOA,

BBC, Deutsche Welle (West German World Service), and Radio Free Europe/Radio Liberty. The resolution specifically urges NATO countries to:

- "Preserve and promote the principle of the unrestricted flow of information across international borders;" and
- Deplore the "destructive effects of Soviet jamming which obstructs efficient use and equitable distribution" of worldwide high-frequency broadcasting spectrum.

Noting further that the Universal Declaration of Human Rights and the Helsinki Final Act calls for a reduction in the barriers to the free exchange of people and ideas, the resolution adds that the "high-frequency broadcasting spectrum is a natural phenomenon, and must be available for the free and equitable use of all nations," and the free flow of information is "indispensable to a better understanding among nations."

October 9

A bomb explosion in Rangoon, Burma, kills at least 20 people, including two leading advisers to South Korean President Chun Doo Hwan and four of his Cabinet members. The Korean President was in Rangoon on the first leg of a 6-nation trip. The President had not yet arrived at a wreathlaying ceremony where the bomb exploded, and, therefore, escaped injury. U.S. says it is "shocked and saddened" by the "tragic incident" and sends its condolences to the Governments and people of Korea and Burma.

October 10

Israeli Parliament names Yitzhak Shamir as the successor to Prime Minister Menahem Begin who resigned earlier.

October 10-15

Chinese Foreign Minister We Xueqian makes an official working visit to the U.S. to meet with President Reagan and other government officials on bilateral and international issues of interest to both countries.

October 11

White House announces that it cannot confirm news reports—based on Western diplomat contacts in Geneva—that the Soviets may unilaterally break off START talks and INF negotiations if the Western alliance proceeds with deployment in Europe. "The issue at stake in the INF talks is of enormous significance for the security of Europe and the world," says deputy White House spokesman Larry Speakes, and the U.S. will do everything in its power to continue the talks and to "strive for agreement." He adds, that while Soviet propaganda consistently threatens to disrupt the Geneva talks, the Soviets have not asked for a recess either in START or INF talks.

U.S. presents \$27 million to the Office of the UN High Commissioner for Refugees as a voluntary contribution to support the UNHCR's general programs throughout the world which includes aid to refugees in Pakistan, Thailand, Sudan, Somalia, Rwanda, Honduras, and Mexico.

October 12

President Reagan signs S.J. Resolution 159—legislation authorizing U.S. Marines to remain in Lebanon for 18 additional months.

October 13

The following newly appointed ambassadors present their credentials to President Reagan: Ibrahim Izziddin of Jordan, Ratu Jone Filipe Radrodro of Fiji, Stanislav Suja of Czechoslovakia, Venceo Hazi of Hungary, Sergio Correa Affonso da Costa of Brazil, and Ellom-Kodjo Schuppius of Togo.

White House announces that the U.S. would view any closure of the Strait of Hormuz with "grave concern" and would take steps to protect its national interests if that occurred. Iran has threatened that if Iraq prevents Iran from exporting oil, it would cut the flow of all Persian Gulf oil to the West by closing the strait.

A statement issued by the El Salvador Political Commission condemns the recent kidnappings, assassinations, and terrorist acts by terrorist groups. "Such irresponsible acts," the statement says, deserves the "condemnation and repudiation of all social sectors, contribute nothing to the resolution of the country's grave problems and . . . slow down the efforts the Government of National Unity has made for a peaceful and democratic solution to the crisis of violence that afflicts us." Events such as these, it continues, "prejudice the international image of the Government and of the country," . . . and "weaken the credibility of state organs in their dealings with friendly countries and governments."

President Reagan condemns the killing of South Korean leaders as a "vicious attack" and names Defense Secretary Weinberger as his personal representative to the funeral. Other representatives include Deputy Secretary of State Kenneth Dam; Army Chief of Staff Gen. John Wickham; the U.S. Ambassador to Korea, Richard L. Walker; the Commander of U.S. Forces in Korea, Gen. Robert Sennewald; and Congressmen Claude Pepper of Florida and Tony P. Hall of Ohio.

President Reagan announces adoption of the Radio Broadcasting to Cuba Act—S.602—which he signed on Oct. 4. The act, the President says, was adopted "with broad bipartisan support in the Congress" and responds to his Administration's foreign policy initiative to break "Fidel Castro's monopoly on news and information within Cuba."

October 14

U.S. Marine is killed and another wounded by sniper fire from Moslem Shiite quarters.

President Reagan declares Oct. 16, 1983, World Food Day and calls on people of the U.S. to find ways in which to further contribute to the elimination of world hunger.

President Reagan declares an "international economic emergency" in order to keep the government's control of sensitive exports intact after Congress let authority for that

control expire. The President says that "unrestricted access" of foreign parties to U.S. commercial goods, technology, and technical data and "the existence of certain boycott practices for foreign nations constitute . . . an unusual and extraordinary threat" to U.S. national security.

Warsaw pact foreign ministers issue a communique stating that if agreement is not reached by U.S.-Soviet talks on limiting INF missiles in Europe by year's end, "it is essential that the talks should be continued with a view to reaching . . . the renunciation by the United States and its NATO allies of their schedule for deploying new medium-range missiles." Responding to the communique, which was reported by the Soviet news agency TASS, the State Department says that it "appears to agree" with the position of the U.S. and its allies in two respects:

- "First, that there still remains the opportunity for an agreement this year; and
- "Second, that negotiations should continue even if agreement is not reached by the end of the year."

Beyond that, Department spokesman John Hughes says, the U.S. and its allies "has been and remains prepared to negotiate with preconditions, with a view to reaching agreement at the earliest possible time. We call upon the Soviet Union to unequivocally adopt a similar stance."

October 16

U.S. and Canada sign the phosphorus load agreement—a new agreement to cleanse the Great Lakes further of phosphorus pollutants. Discussions are also held on the acid rain issue.

In Beirut, sniper fire kills one U.S. Marine and wounds three others.

The head of Grenada's army and its Ambassador to Cuba, Maj. Liam Omo Cornwall, announces in a radio statement that the army has seized control of the nation and deposed Prime Minister Maurice Bishop. The statement came after 2 days of unconfirmed reports that Mr. Bishop was under some form of detention and that the Deputy Prime Minister, Bernard Coard, was in charge of the country.

State Department notes the Oct. 14 appointment of a new Cabinet in Korea. Department spokesman Romberg says that the U.S. extends its "best wishes to the new members of the Korean Government . . ."

October 16-18

At Jamaica Prime Minister Seaga's invitation, Vice President Bush makes an official visit to Jamaica. Following the visit, the Vice President goes to Puerto Rico for meetings with mayors of Latin American cities.

October 17

President Reagan names Robert C. McFarlane as Assistant to the President for National Security Affairs and Director of the

Staff of the National Security Council calling him "ideally qualified" for the post. McFarlane, who is Deputy Assistant National Security Adviser and the President's personal representative in the Middle East, replaces Judge William Clark who was nominated as Secretary of the Interior.

October 18

UN Security Council adopts resolution extending the UN Interim Force in Lebanon for an additional 6 months, i.e., until April 19, 1984.

October 19

Grenada's Prime Minister Maurice Bishop and three of his Cabinet members are reportedly killed in the final actions of a military coup that began Oct. 12.

Radio Free Grenada broadcasts a statement by Army Commander Gen. Hudson Austin, who announces the installation of a 16-member military council to govern the country and also a 24-hour curfew to be in effect until Oct. 24.

October 19-20

Bettino Craxi, President of the Council of Ministers of Italy, makes an official working visit to Washington, D.C., to meet with President Reagan and other U.S. officials.

October 20

Lebanon's warring factions unanimously agree on a site at which to hold peace talks. Lebanese Foreign Minister Elie Salem announces that their efforts had produced agreement on a site in "a friendly country," but he did not say which or when the talks would begin. Talks had been scheduled to begin Oct. 20 at the Beirut International Airport but were postponed when four of the nine parties rejected the site.

State Department says that based on news reports and radio broadcasts, the U.S. is assuming that Grenadian Prime Minister Bishop was killed. Department spokesman Hughes says the announcement of a 24-hour curfew "obviously raises" concern about the 800-1,000 U.S. nationals on the island, about 500 of them students and faculty at the St. George's Medical School. Hughes adds that several days ago, the U.S. voiced concern about the welfare of these citizens to Grenadian authorities, and aside from accepting assertions by Grenadian Armed Forces that the military is currently ruling the country through a revolutionary council, the U.S. is in "no position to make any comment on the current state of affairs or the likely outcome."

By a vote of 227-194, U.S. House of Representatives votes to cut off U.S. aid to groups attempting to overthrow the Nicaraguan Government. In his Oct. 19 news conference, President Reagan defended covert actions as part of a government's responsibilities "for as long as there's been a government." The House also authorizes \$50 million to help Central American countries interdict arms shipments by Nicaragua and Cuba to groups and individuals seeking to overthrow Central American governments.

CHRONOLOGY

October 21

Nicaraguan foreign ministers present the Reagan Administration with four draft agreements that are said to be proposals for guaranteeing peace throughout Central America. State Department says that while the proposals "recite some general principles that everyone could agree on . . . they also contain strident anti-U.S. polemics" and are "deficient." "We continue to regard the 21-point document of objectives as the benchmark against which any proposals such as these are judged," Department officials state.

U.S. Senate approves a State Department appropriations bill that includes \$389 million for the U.S. contribution to the UN and affiliated agencies in the current fiscal year. On Oct. 20, the Senate approved an authorization bill under which the U.S. contribution would be cut 50%, or \$500 million, over the next 4 years; thus, the contribution for this FY would be \$285 million.

U.S. Marines head toward Grenada to signal U.S. intentions to protect American citizens on the island. A 10-ship task force was diverted from its original course toward Lebanon. Barbados Government officials say the military coup in Grenada has already resulted in as many as 40 deaths.

Switzerland agrees to host a peace conference for Lebanon's warring factions in Geneva.

Gen. Hudson Austin, Chairman of the Revolutionary Military Council now governing Grenada, invites a delegation from Barbados to look into the safety of U.S. and U.K. nationals on the island. The delegation includes two U.S. diplomats representing the U.S. Ambassador to Barbados and a representative to the British High Commissioner.

October 22

In Augusta, Georgia, an armed man crashes his truck through the gates of the Augusta National Golf Course where President Reagan is playing golf taking one or more hostages and demanding to speak to the President. The President is not harmed and chooses to talk by telephone to the man who does not respond. Federal agents later take the man into custody without further incidence.

Meeting in Trinidad, the heads of government of the member nations of the Caribbean Community (CARICOM) vote to suspend Grenada's membership in the organization.

October 23

At least 146 U.S. Marines are killed and 69 injured as suicide terrorists driving a truck loaded with TNT blow up an American Marine compound at the Beirut International Airport. Two miles away, another bomb-laden truck crashes into a French paratroop barracks, killing at least 27 paratroopers, wounding 12, with 53 reported missing. President Reagan, voicing outrage over the "despicable act" calls on the nation to be more determined than ever to keep the force there and resist "the bestial nature of those who would assume power." United Press In-

ternational reports that a caller to the Beirut office of *Agence-France Presse* said a group calling itself the Free Islamic Revolution Movement took responsibility.

October 24

The death toll from the suicide bombing of the U.S. Marine base in Beirut rises to 191. French officials say at least 23 paratroopers are dead.

About 50 U.S. Marines land in Barbados and immediately depart in transport helicopters and a helicopter gunship to evacuate Americans from Grenada.

President Reagan proclaims Oct. 24, 1983, as United Nations Day, saying that the UN remains "uniquely endowed to promote international political economic, social and technical cooperation."

The following newly appointed Ambassadors present their credentials to President Reagan: George Papoulias of Greece and Prince Bandur bin Sultan bin Abd al-Aziz Al Saud of Saudi Arabia.

Deputy White House spokesman Larry Speakes announces that after considering the U.S. response to the terrorist attack in Beirut, the President directs Gen. P.X. Kelley, Commandant of the Marine Corps, to "undertake a complete review of ways to provide better protection for the Marine contingent in Lebanon." "The President, he continues, is also 'consulting closely with our MNF allies and the Lebanese Government, and our actions will be resolute and consistent with state policies and objectives."

In response to congressional inquiries seeking justification for keeping U.S. Marines in Lebanon, President Reagan says that keeping them there is "central to United States credibility on a global scale." He adds that "if Lebanon ends up under the tyranny of forces hostile to the West, not only will our strategic position in the Eastern Mediterranean be threatened but also the stability of the entire Middle East." "The U.S. will not be intimidated by terrorists," and while the multinational forces are taking measures to strengthen the capabilities of our forces to defend themselves, he cautions that reacting to the present situation by applying increased force would risk "the start of overall conflict and world war."

October 25

In a 9:00 a.m. news conference, President Reagan announces that at 5:00 a.m. (EDT), approximately 1,900 U.S. Army rangers and Marine Corps personnel began landing on the small island nation of Grenada in the eastern Caribbean. They were supported by elements of the U.S. Navy and Air Force and 300 personnel from member states of the Organization of Eastern Caribbean States (OECS)—Antigua and Barbuda, Dominica, St. Lucia, St. Vincent and the Grenadines, St. Kitts/Nevis, and Montserrat—along with Barbados and Jamaica.

The President says he ordered this "decisive action" for three reasons:

- First, "of overriding importance" to protect lives, including about 1,000 Americans on the island;
- Second, to forestall further chaos; and
- Third, to assist in restoring law and order and governmental institutions to the island.

The President states that on Oct. 23, the U.S. received an urgent request for assistance from five-member nations of the OECS. A statement released on Oct. 25 by the OECS stated that their decision to take action came on Oct. 21 when, after considering the situation arising from the overthrow, they became "deeply concerned" that the situation would worsen and that there would be "further loss of life, personal injury and a general deterioration of public order." The President reiterates, however, that the U.S. objectives are to "protect our own citizens, to facilitate the evacuation of those who want to leave, and to help in the restoration of democratic institutions."

Eugenia Charles, Prime Minister of Dominica and Chairman of the OECS, accompanied the President at the news conference. Asked if she had information that the Soviets and Cubans were behind the takeover in Grenada, she states that in the days before the revolutionary council took power, there was "obviously a conduit" of movements "between the Soviet Embassies and known activists and the activists' return to Grenada."

British Prime Minister Margaret Thatcher says the British Government urged President Reagan to reconsider his plans to send U.S. troops to Grenada—their main concern being that Grenada, a member of the Commonwealth, had been invaded by an ally, despite the government's expressed misgivings.

President Reagan formally notifies Congress that he has committed U.S. troops in Grenada. "I am providing the report," he says, "in accordance with my desire that the Congress be informed on this matter, and consistent with the War Powers Resolution."

In an afternoon news conference, Secretary Shultz reiterates the President's decision to land U.S. troops in Grenada, outlining U.S. objectives, the chain of events as they led up to the decision, and the general situation on the island. Asked if he had any reason to believe that the Soviets or the Cubans were responsible for the overthrow of the Bishop government, the Secretary says that although the U.S. has no "direct information," the OECS "feels that such is the case," but that is not the basis for U.S. action.

Gen. Kelley arrives in Beirut. The number of U.S. military personnel killed rises to 214, with 20-30 bodies still missing.

October 26

Democratic leaders in Congress say the Reagan Administration had not complied with the War Powers Resolution in its invasion of Grenada. Under the measure, the President would have to withdraw U.S. troops within 60 days unless Congress authorizes them to stay longer.

U.S. flies in hundreds of paratroopers to bolster the force of 1,900 Marines and Army rangers in Grenada. Despite declining Cuban resistance, U.S. troops continue to battle Grenadian militiamen and soldiers in crowded areas of the capital.

Defense Secretary Weinberger says the invasion of Grenada is progressing "extremely well" and that only one major area of resistance remains. U.S. casualties, he says, stand at 6 killed, 8 missing, and 33 wounded. He also reported that about 600 Cubans had been captured.

An Air Force C-141 transport plane arrives in Charleston, South Carolina, carrying the first group of Americans to be evacuated from Grenada—69 American students who were attending the St. George's Medical School.

In Beirut, Vice President Bush, visiting the site where U.S. Marines were killed, pledges U.S. foreign policy will not be dictated by terrorists. Bush says he wishes every American could witness the destruction that resulted from the bombing, the cooperation of the multinational force, and the resolve of the Marines.

Soviet leader Yuriy V. Andropov proposes additional steps toward reaching agreement with the U.S. on LRINF [longer range intermediate-range nuclear force] missiles. He states that if the U.S. went ahead with its planned deployment in Europe, the negotiations in Geneva would halt. Commenting on the proposal, which was printed in the Soviet press, the State Department issues a statement that this new proposal offers "little new and continues to misrepresent the facts and attach unacceptable conditions for any agreement." Specifically, the U.S. statement notes that the Soviets' offer for a freeze on Soviet SS-20 levels in the Asian U.S.S.R. seems to entail their "acceptance of U.S. longstanding view that LRINF missiles must be treated on a global basis" while Andropov's aircraft proposal is "too vague" to evaluate. Additionally, the U.S. statement made the following points.

- The Soviets are maintaining their position that there should be no U.S. LRINF missile deployments to Europe and that they must be compensated for British and French forces.
- The Soviet offer to reduce to about 140 missiles in Europe suggests that they recognize that a "balance does not now exist and should be established through Soviet reductions."
- The Soviets seek to legitimize the build-up of SS-20s in the Far East.
- The Soviet threat to end negotiations with the appearance of U.S. missiles in Europe is "totally unjustified."

October 26-27

Secretary Shultz flies to Paris to meet with Foreign Ministers Claude Cheysson of France, Giulio Andreotti of Italy, and Sir Geoffrey Howe of the United Kingdom where they reaffirm their commitment to maintain the multinational force in Lebanon. Speaking for the others, Foreign Minister Cheysson says "no words can be found to express harshly enough our condemnation" of the terrorists, bombings in Beirut. He stresses that "the peoples of our countries have accepted these sacrifices in the cause of peace and unity in Lebanon." The ministers also agree that their troops "required better protection."

October 27

In a televised address, President Reagan says that the Soviet Union "assisted and encouraged" the recent violence in both Lebanon and Grenada. There were 30 Soviet advisers and "hundreds" of Cuban military and paramilitary forces on Grenada, he says, adding that the first photographs just released from the Grenada operation showed evidence of the Soviet plans for the island. Addressing the situation in Lebanon, the President says the U.S. will not withdraw from that country but rather will accelerate the drive "for peace and stability" and support for President Gemayal's effort to negotiate national reconciliation. He also adds that he would "ensure" that the U.S. Marines "are given the greatest possible protection."

By a vote of 105-23 with 19 abstentions, the UN General Assembly for the fifth time since the Vietnamese invasion of Kampuchea in 1978, calls for the withdrawal of all foreign troops and for the right of the Khmer people to determine their own destiny.

Administration officials say that Grenada's government and Cuban advisers planned to hold U.S. citizens hostage. The plan was revealed in evidence found by U.S. forces, including documents at a Cuban military installation.

U.S. forces capture the final major stronghold of Grenada's defenders. However, Gen. Austin, who is believed to be holding hostages in the southern part of the island, is not captured.

October 28

Adm. Wesley L. McDonald, the commander of U.S. forces in Grenada, says the U.S. has about 6,000 troops on the island. Fighting reportedly dwindles in southern Grenada, but U.S. military officials say that some Cuban and Grenadian troops have taken positions in the mountainous central and northern parts of the island. A U.S. communique issued in Bridgetown says that "all major military objectives" had been achieved. Casualty tolls continue to rise with 11 American soldiers reported dead, 67 wounded, and 7 missing.

In Lebanon, the toll of U.S. servicemen known dead rises to 230.

State Department announces that on Oct. 27 a three-member Soviet delegation contacted a U.S. State Department representative in Grenada to provide information

concerning Soviet citizens there and to protest the invasion of the island by a multinational security force. Department spokesman Romberg says that the Department representative was told by the Soviet delegation that a total of 49 Soviets, including dependents, were at the Soviet mission in St. George's. The Soviet officials also said that "a number of North Koreans, Bulgarians, East Germans, and Cubans" were at the mission. Romberg adds that neither U.S. officials nor the Governor General of Grenada, Sir Paul Scoon, were aware of their presence.

By a vote of 64-20, the U.S. Senate approves a resolution declaring the War Powers Act to be operative as of Oct. 25, the day U.S. forces entered Grenada. The resolution would limit American military involvement to 60 days unless Congress grants an extension. The House Foreign Affairs Committee approves the restriction Oct. 27 by a vote of 32-2. By voice vote, the Senate also passes a measure that would insist that the Cuban Government accept 6,000 Cuban refugee criminals held in U.S. prisons as a condition for returning 600 Cubans captured on Grenada.

By a vote of 14-0 with one abstention (U.S.), UN Security Council adopts a resolution (538) condemning South Africa for its continued illegal occupation of Namibia and for its obstruction of the implementation of Resolution 435, which would lead to Namibian independence. USUN Ambassador Charles Lichenstein says that while the U.S. "wholly supports the spirit of the resolution," certain elements cause us concern. These include references to past resolutions which the U.S. did not support and implicit allusions to possible future sanctions. "We regard such allusions as premature," says Lichenstein, in view of the progress reported by the Secretary General and our own commitment to the success of the Namibia negotiations.

By a vote of 11-1 (U.S. veto) with 3 abstentions (Togo, Zaire, and the U.K.), UN Security Council votes on a resolution deeply deploring the armed intervention into Grenada which it calls "a flagrant violation of international law and of the independence, sovereignty and territorial integrity" of Grenada. It also calls for the immediate cessation of the intervention and withdrawal of the foreign troops.

State Department announces that U.S. authorities have not specifically ascertained who is responsible for the terrorist attack in Beirut but continues to investigate. Once identified, "there are a number of options open," says Department spokesman Romberg. "We anticipate probably utilizing one of those options," he adds.

October 29

Defense Department officials say that 1,200 of the 6,000 Marines in Grenada had been replaced and would head for Lebanon to relieve the Marine forces stationed there.

PRESS RELEASES

October 30

In the Argentine elections, Centrist Raul Alfonsin scores an upset victory over the Peronists and vows to "raise the flag of national unity and . . . social justice." It was the first defeat for the Peronists in 38 years and ends 7 years of military rule. Alfonsin wins 52% of the vote; Peronist Italo Luder, 40%.

October 31

In Geneva, first session of national reconciliation talks open. Lebanese President Gemayel appeals to his country's factional leaders to set aside their differences because "our country is dying." The principal participants include:

- Lebanese President Amin Gemayel, a Maronite Christian
- Pierre Gemayal, Amin Gemayel's father and head of the Christian Phalangist Party
- Camille Chamoun, Christian leader
- Saeb Salam, Sunni Moslem and former Prime Minister
- Adel Osseiran, Shiite Moslem member of Parliament (member of the National Salvation Front)
- Nahbi Berri, leader of the Amal Organization of Shi'a Moslems
- Walid Jumblat, Druze leader and head of Lebanon's Progressive Socialist Party
- Rashid Karami, Sunni Moslem and former Prime Minister
- Suleiman Franjeh, Christian and former President of Lebanon
- Abdel-Halim Khaddam, Syrian Foreign Minister (observer)
- Mahmoud Ibrahim Mansouri, Deputy Foreign Minister of Saudi Arabia (observer)

U.S. says it is "pleased" with the start of the talks and welcome them as "a further step toward Lebanese national unity and the reestablishment of a stable, representative, and fully-sovereign Lebanese central government."

Agency for International Development (AID) airlifts relief supplies to Grenada to help the people affected by the recent emergency. The first shipment of supplies was airlifted from Bridgetown, Barbados, on Oct. 28 to Point Salines in Grenada. On Oct. 30, two planeloads of supplies were airlifted from Panama. The agency also sent an epidemiologist, a sanitary engineer, and a disaster survey team which is working closely with a U.S. military disaster survey team. To date, \$475,000 has been allocated for disaster relief.

By a vote of 12-0, with 3 abstentions (Malta, Pakistan, and Nicaragua), the UN Security Council passes its fourth resolution on the Iran-Iraq war. Resolution 540, among other provisions, affirms the right of free navigation and commerce in international waters, calls on all states to respect this right, and calls on Iran and Iraq to cease immediately all hostilities in the gulf region.

Defense Department releases a statement acknowledging that at least 12 civilians were killed in the invasion on Grenada when a Navy plane mistakenly bombed a civilian hospital. Initially, U.S. officials said they had no first-hand information of the incident.

Democratic and Republican leaders in the U.S. House of Representatives agree to send a delegation to Grenada to investigate why U.S. troops invaded the island and how long they might remain there. ■

Department of State

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

No.	Date	Subject
*357	10/3	Program for the state visit of Dr. Karl Carstens, President of the Federal Republic of Germany, Oct. 3-14.
*358	10/4	Advisory Committee on Historical Diplomatic Documentation, Nov. 10.
*359	10/4	Shipping Coordinating Committee (SCC), Subcommittee on Safety of Life at Sea (SOLAS), working group on lifesaving appliances, Oct. 25.
*360	10/5	Shultz: news briefing, New York, Sept. 26.
*361	10/5	Shultz: news briefing, New York, Sept. 26.
*362	10/6	Peter Jon de Vos sworn in as Ambassador to Mozambique (biographic data).
*363	10/13	Advisory Committee on International Investment, Technology, and Development, Nov. 4.
*364	10/24	Gerald Eustis Thomas sworn in as Ambassador to Kenya (biographic data).
*365	10/14	Preparatory committee for the 5th meeting of the U.S.-Mexico mixed commission on scientific and technological cooperation, Sept. 20-22.
*366	10/14	Robert H. Miller sworn in as Ambassador to the Ivory Coast (biographic data).
*367	10/14	Shultz: remarks at a reception for OAS delegates, New York, Oct. 6.
*368	10/14	Shultz: remarks at luncheon for OAU delegates, New York, Oct. 7.
*369	10/17	Program for the official working visit of Prime Minister Bettino Craxi of Italy, Oct. 19-21.

*370	10/18	U.S., China sign new textile agreement, Aug. 19.
*371	10/21	George E. Moose sworn in as Ambassador to Benin (biographic data).
*372	10/18	U.S. Organization for the International Telegraph and Telephone Consultative Committee (CCITT), study group C, Nov. 17.
*373	10/18	Shultz: arrival remarks, Halifax, Nova Scotia, Oct. 16.
*374	10/19	Shultz: remarks upon signing Great Lakes agreement, Halifax, Oct. 16.
*375	10/24	Program for the official working visit of Gen. H.M. Ershad, President of the Council of Ministers of Bangladesh, Oct. 24-26.
*376	10/24	Shultz: dinner toast, Halifax, Oct. 16.
377	10/25	Shultz: news conference.
*378	10/25	Advisory Committee on International Investment, Technology, and Development, working group on transborder data flows, Nov. 21.
*379	10/25	U.S. Organization for the International Radio Consultative Committee (CCIR), study group 7, Nov. 14.
380	10/24	Shultz: statement before the U.S. Senate and House of Representatives.
*381	10/28	Nicholas A. Veliotis sworn in as Ambassador to Egypt (biographic data).
*382	10/28	Richard W. Murphy sworn in as Assistant Secretary for Near Eastern and South Asian Affairs (biographic data).

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1	1/3	Reagan: financing preparatory commission under the Law of the Sea Treaty, Dec. 30.
*2	1/19	Lichenstein: renewal of UNIFIL, Secretary Council, Jan. 18.
*3	1/25	Sorzano: Khmer relief donors' meeting.
*4	2/2	White House announcement concerning Ambassador Kirkpatrick's visit to Central America, Feb. 3-12.
*5	2/8	Adamson: Indian Ocean as a zone of peace, Ad Hoc Committee on the Indian Ocean, Feb. 7.
*6	[Not issued.]	
*7	[Not issued.]	
*8	[Not issued.]	
*9	2/11	Adamson: Indian Ocean as a zone of peace, Ad Hoc Committee on the Indian Ocean, Feb. 9.
*10	2/15	Morrison: outer space, Committee on the Peaceful Uses of Outer Space, Feb. 8.
*11	2/15	Morrison: UNISPACE, Committee on the Peaceful Uses of Outer Space, Feb. 10.
*12	2/17	Goodman: UNDP, UNDP Governing Council, Feb. 15.
13	2/22	Kirkpatrick: Libya, Security Council.
*14	2/22	Lichenstein: Libya, Security Council.
*15	2/23	Lichenstein: Libya, Security Council.
*16	2/24	Schifter: apartheid, Commission on Human Rights, Feb. 18.
*17	2/24	Berns: disappearances, Commission on Human Rights, Feb. 22.
*18	2/24	Berns: human rights, Commission on Human Rights.
*19	3/3	Reynolds: women, Commission on the Status of Women, Feb. 24.
*20	3/3	Schifter: human rights, Commission on Human Rights.
*21	3/24	Kirkpatrick: Nicaragua, Security Council, Mar. 23.
*22	3/24	Lichenstein: Nicaragua, Security Council.
*23	3/25	Kirkpatrick, Lichenstein: Nicaragua, Security Council.
*24	4/14	Adelman: statement made upon confirmation as ACDA Director.
*25	4/19	Adamson: Indian Ocean as a zone of peace, Ad Hoc Committee on the Indian Ocean.
*26	5/4	Sorzano: narcotics, Committee II.
*27	5/6	Goodman: social development, Committee II.
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*29	5/10	Reynolds: women, ECOSOC.
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*39	5/24	Dewey: donors' conference on Kampuchean relief.
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*46	6/9	McPherson: UNDP Governing Council.
*47	6/20	Benedick: population, UNDP Governing Council.
*48	6/22	Lichenstein: information, Committee on Information.
*49	6/23	Sherman: outer space, Committee on the Peaceful Uses of Outer Space.
*50	6/27	Block: food, World Food Council.
*51	6/29	Lichenstein: information, joint UN Information Committee.
*52	6/29	Block: food, World Food Council, June 28.
*53	7/18	Grooms: renewal of UNIFIL, Security Council.
*54	7/19	Sorzano: world economy, ECOSOC, July 15.
*55	7/22	Kirkpatrick: bicentennial of the birth of Simon Bolivar, General Assembly.
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*57	7/25	Sorzano: transnational corporations ECOSOC, July 20.
*58	7/26	Goodman: development, ECOSOC, July 20.
*59	7/26	Adamson: Indian Ocean as a zone of peace, Ad Hoc Committee on the Indian Ocean, July 22.
*60	8/3	Lichenstein: occupied Arab territories, Security Council, Aug. 2.
*61	8/3	Lichenstein: occupied Arab territories, Security Council, Aug. 2.
*62	8/10	Sherman: emergency assistance to Bolivia, Ecuador, and Peru, ECOSOC.
*63	8/11	Lichenstein: Libya, Security Council.
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*76	9/23	Meyerhoff: admission of St. Christopher and Nevis to UN membership, General Assembly.
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*78	9/27	Sherman: global negotiations, General Assembly, Sept. 19.
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*80	10/7	Loeb: Cuba, General Assembly.
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Secretary Shultz

The Situation in Lebanon, Senate Foreign Relations and House Foreign Affairs Committees, Oct. 24, 1983 (Current Policy #520).

Africa

Background Notes on Burundi (Sept. 1983).
Background Notes on Sao Tome and Principe (Sept. 1983).
Background Notes on Zaire (Oct. 1983).

East Asia

The Soviet Role in Asia, Deputy Assistant Brown, Subcommittees on Europe and the Middle East and on Asian and Pacific Affairs, House Foreign Affairs Committee, Oct. 19, 1983 (Current Policy #521).
Kampuchea After 5 Years of Vietnamese Occupation, Deputy Assistant Secretary Monjo, Subcommittee on Asian and Pacific Affairs, House Foreign Affairs Committee, Sept. 15, 1983 (Current Policy #514).
U.S.-Japanese Relations (GIST, Oct. 1983).
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Protecting the World Economy, Under Secretary Wallis, Business Council of New York, Oct. 1, 1983 (Current Policy #516).
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International Energy Security, Deputy Assistant Secretary Wendt, Oxford Energy Seminar, Oxford, England, Sept. 2, 1983, and Ambassador at Large Kennedy, World Energy Conference, Washington, D.C., Sept. 7, 1983 (Current Policy #512).

Europe

Background Notes on Czechoslovakia (Oct. 1983).

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The Cuban Revolution and Its Impact on Human Rights, Assistant Secretary Abrams, Center for Strategic and International Studies, Washington, D.C., Oct. 6, 1983 (Current Policy #518).

Middle East

Major U.S. Interests in the Middle East, Deputy Assistant Secretary Pelletreau, Subcommittee on Europe and the Middle East, House Foreign Affairs Committee, Sept. 26, 1983 (Current Policy #515).
The Libyan Problem, Department of State report, Oct. 1983 (Special Report #111).

Pacific

Background Notes on Fiji (Sept. 1983).
Background Notes on Western Samoa (Sept. 1983).

Refugees

Proposed Refugee Admissions for FY 1984, Department Counselor Derwinski and Refugee Coordinator Douglas, Senate Judiciary Committee, Sept. 26, 1983, and President Reagan's memorandum of Oct. 7, 1983 (Current Policy #517).

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UN's Positive Contributions to U.S. (GIST, Oct. 1983).

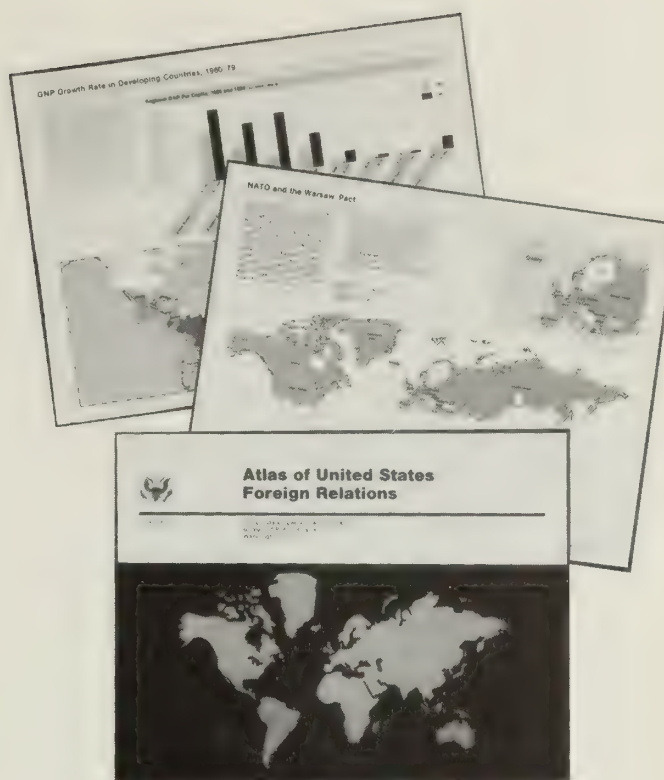
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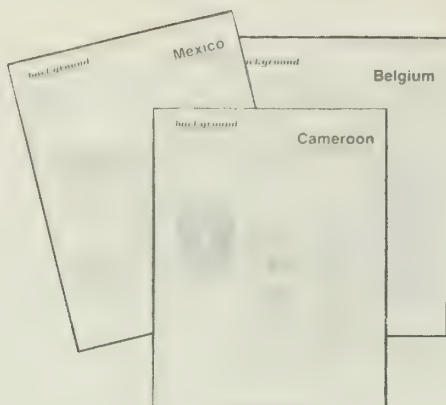
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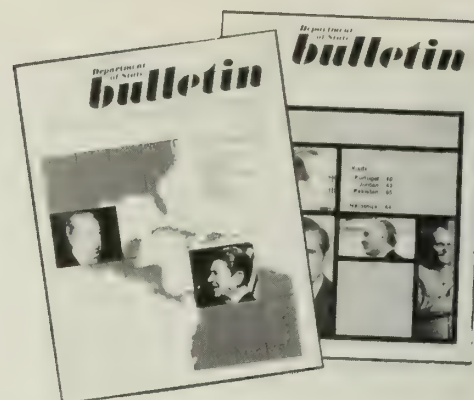
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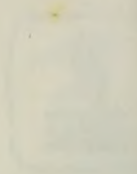
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